



STATE OF WASHINGTON

GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

Hampton Inn and Suites 4301 Martin Way E. Olympia, WA 98516

Administrative Procedures Act Proceedings are identified by an asterisk (\*)

PUBLIC MEETING	
9:00 AM	<p><b>Call to Order</b> <i>Bud Sizemore, Chair</i></p> <p><b>Welcome and Introductions</b></p> <ul style="list-style-type: none"> <li>• <i>Moment of Silence</i></li> <li>• Staff Recognition – Mark Harris 25 years</li> </ul> <p><b>Consent Agenda</b> (Action)</p> <ul style="list-style-type: none"> <li>• July 11, 2019 Commission Meeting Minutes</li> <li>• New Licenses and Class III Employees*</li> </ul> <p><b>MOTION: I move to approve the consent agenda as presented.</b></p> <p><b>Class III Employees/Snoqualmie &amp; Cowlitz Tribes*</b> (Action)</p> <p><b>MOTION: I move to approve the Class III certifications for the Snoqualmie Tribe and Cowlitz Tribe.</b></p>
Tab 2	<p><b>*Petition for Review Andrew Williams</b> (Action)</p> <p>/</p> <p><i>Kellen Wright, Assistant Attorney General</i></p>
Tab 3	<p><b>*National Rifle Association Foundation, Inc.</b> (Action)</p> <ul style="list-style-type: none"> <li>• Request to exceed 300k limit in raffle prizes</li> </ul> <p><i>Jim Nicks, Special Agent in Charge, Regulatory Unit</i></p> <p><b>MOTION: I move to approve that the National Rifle Association Foundation Inc. offer raffle prizes in excess of \$300,000 for their license year beginning October 1, 2019 through September 30, 2020.</b></p>
Tab 4	<p><b>*Perry Technical Foundation</b> (Action)</p> <ul style="list-style-type: none"> <li>• Request to exceed 40k and 300k raffle prize</li> </ul> <p><i>Bill McGregor, Special Agent Supervisor, Regulatory Unit</i></p> <p><b>MOTION: I move to approve Perry Technical Foundation offer a raffle prize in excess of 40,000 and to exceed the annual raffle prize limit of 300,000 for their license year ending June 30, 2021.</b></p>
Tab 5	<p><b>RULES UP FOR DISCUSSION AND POSSIBLE FILING</b></p> <p><b>*Rocky Mountain Elk Foundation</b> (Action)</p> <ul style="list-style-type: none"> <li>• Petition for rule change</li> </ul> <p><i>Ashlie Laydon, Rules Coordinator</i></p> <p><b>MOTION:</b></p> <p><b>Approve: I move to approve the rule petition and direct staff to file initial rule-making to allow for further review and analysis.</b></p> <p><b>Deny: a) I deny the petition because (state your reasons) and (where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.)</b></p>

<b>Tab 6</b>	<p><b>*Default</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>Jocelyn Baker, CR2019-00571 Class III Employee certification <i>Brian Considine, Legal and Legislative Manager</i></li> </ul> <p><b>MOTION: I move to revoke the Class III certification for Jocelyn Baker.</b></p>
	<p><b>Executive Session - Closed to the Public</b> <span style="float: right;"><i>Bud Sizemore, Chair</i></span></p> <p>Discuss Pending Criminal Investigations, Tribal Negotiations, and Litigation</p> <p><b>Approximately 2 hours</b></p>
<b>Tab 7</b>	<p><b>2020 Agency Request Legislation Discussion</b></p> <p><i>Brian Considine, Legal and Legislative Manager</i></p> <p><b>NO MOTION</b></p>
<b>Tab 8</b>	<p><b>Sports Betting Discussion and Presentations</b></p> <ul style="list-style-type: none"> <li>ICE North America, National Council of Legislators from Gaming States and National Indian Gaming Association conference presentations. <i>Commission Stearns, Brian Considine, Legal and Legislative Manager</i></li> <li>North American Gaming Regulators Association presentation <i>Tina Griffin, Assistant Director</i></li> </ul> <p><b>NO MOTION</b></p>
<b>Tab 9</b>	<p><b>*Stars Group, Inc. Petition for Declaratory Order</b> <span style="float: right;"><b>(Action)</b></span></p> <p><i>At the request of the Stars Group, I move that good cause exists to continue this Petition to the September Commission Meeting.</i></p> <p><i>Brian Considine, Legal and Legislative Manager</i></p>



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<b>Tab 9</b>	<p><b>*Stars Group, Inc. Petition for Declaratory Order</b> <span style="float: right;"><b>(Action)</b></span></p> <p><i>I took this language from Big Fish...</i></p> <p><b>A. Motion: if you wish to continue consideration on the petition until your September, October, or November Commission Meeting, which will allow you more time to review the petition and talk with staff and our AAG about your options:</b></p> <ul style="list-style-type: none"> <li><b>I move to defer consideration of this petition until the Commission's [September/October/November] Commission Meeting because the Commission needs additional time to review the petition with staff and our counsel.</b></li> </ul> <p><b>B. Motion: if you wish to grant the petition and issue a declaratory order that Star's Group, Inc.'s online games are not gambling under Washington State Law, then the motion is:</b></p> <ul style="list-style-type: none"> <li><b>I move to grant the petition and issue a declaratory order because it does not meet the legal definition of gambling under Washington State law as we will explain in our forthcoming declaratory order.</b></li> </ul> <p><b>C. If you wish to deny the petition and issue a declaratory order that Star's Group, Inc.'s online games are gambling under Washington State Law, then the motion is:</b></p> <p style="text-align: right;"><i>Brian Considine, Legal and Legislative Manager</i></p>

Speaker 1: Good morning, Gambling Commission. August 8th, 2019 commission meeting, Hampton Inn.

Mr. Sizemore: Good morning, everyone. I apologize for the delay. Uh, welcome to the August meeting of the Washington State Gambling Commission. Uh, we, uh, have a very full agenda today. Um, so we'll go ahead and get right into it. Uh, the first, uh, item that I would like to, uh, accomplish is, uh, because of the fact that we are a law enforcement agency, and, uh, those special agents, um, place themselves in harms way, um, and at risk on a regular basis, uh, I would like to take just a moment of silence, uh, to recognize, uh, any law enforcement officers that have, uh, been lost since last time we met. So, if you could, uh, take just a moment. Thank you.

Mr. Sizemore: Uh, first item on our agenda is some recognitions, so if I could, uh, have the director take it from here.

Director: Mr. Harris. Come forward, please. Front and center. So, Mark Harris, uh, many of you have known, has been with the agency for a few years. This is his 25th anniversary. Mark has done an outstanding job and we're ver- very proud that he continues to, to chose to, to be with us for employment. And so what we have is a, a certificate and we'd like to take a moment to applaud Mark with his time and his service, and then take a moment for a photo opportunity with commissioners and, uh, Ms. Griffin. Shall we do that? Everybody. Join me.

Mr. Sizemore: All right. Thank you.

Group: (applause)

Director: So I would look to our, our, uh, esteemed P.I.O. to determine what would be the best background for a photo op, and then, uh, Mark didn't come by himself. He did bring with him his, his beautiful wife and lovely daughter. And, uh, they are here and they're welcome up here to, to join the, uh, photograph as well. Come on up.

Mr. Sizemore: Where did you want to go? Up here?

Director: Yeah. Okay.

Mr. Sizemore: Okay. So we will do the picture-

Director: Yes.

Mr. Sizemore: ... and then, uh, we'll come right back.

Director: Yes. Ms. Griffin thought we, we'd like to share, not with just, uh, commissioners and internal staff but with public as well.

Mr. Sizemore: Thank you, Director. Um, yeah, I don't know whether Mark is, uh, more proud of accomplishing 25 years or getting out of headquarters. I'm not sure which. So, um, all right, so, moving on in the agenda, we have our consent agenda, which includes, uh, commission meeting minutes from our July meeting and some new licenses and class three employees. Does anybody have, uh, any changes to consent agenda? Seeing none. Uh, is there a motion to adopt consent agenda? It's been moved.

Group: Second.

Mr. Sizemore: And seconded to, uh, adopt the consent agenda. Any discussion? Hearing none. All those in favor, say aye.

Group: Aye.

Mr. Sizemore: Aye. Any opposed? Motion carries unanimously. Uh, next item is class three employees for Snoqualmie and Cowlitz Tribe. Is there a motion?

Group: [inaudible 00:04:15]

Mr. Sizemore: Okay, it's been moved. Is there a second?

Group: Second.

Mr. Sizemore: Okay, it's been moved and seconded to approve the class three certifications for the Snoqualmie Tribe and Cowlitz Tribe. Any discussion? Hearing none. All those in favor, say aye.

Group: Aye.

Mr. Sizemore: Aye. Any opposed? Motion carries, uh, four to zero with one abstaining. Uh, the next item on our agenda is a petition for review for Andrew Williams. Uh, and this item, uh, is, hold on just a second... is a petition for review to the commission. Uh, and, uh, we will have Kellan Wright, uh, representing the Gambling Commission staff. And, is Andrew, uh, Williams in the crowd? Okay. Mr. Williams will be representing, uh, himself. So, uh, this process, and I think we've been through this a, a few times over the last year or two. Um, we will allow, um, and I'll, I guess I'll ask, um, each of you is 10 minutes, uh, sufficient to make your case?

Kellan Wright: It is.

Mr. Sizemore: Okay. Mr. Williams? 10 minutes? Okay. So we will, uh, have a timer. Somebody. Uh, so I will allow, uh, Mr. Wright to go first.

Speaker 2: Mr. Sizemore?

Mr. Sizemore: Yes?

Speaker 2: Really quick. If I remember cor- uh, correctly, last time we, some of them were able to save time for rebuttal because it ended up happening so if that's the case-

Mr. Sizemore: That's where I was heading.

Speaker 2: Okay.

Mr. Sizemore: Okay. So, yeah, so Mr. Wright, you'll have the full 10 minutes and you can reserve some time for rebuttal. So, and then Mr. Williams, after he makes his case, you'll have the opportunity to present yours. Okay? Did I miss anything?

Speaker 1: I don't believe so.

Mr. Sizemore: Okay. Mr. Wright.

Kellan Wright: Thank you. I would- uh, good morning. My name is Kellan Wright. I'm an assistant attorney general here today on behalf of the gambling commission staff. The purpose of today's hearing is to determine the appropriate penalty for licensee Andrew Williams. Uh, a gambling license is, as you all know, a privilege and not a right. Is a privilege that comes with high standards of behaviors and licensees must uphold those standards. Under RCW9.46.153 subsection 1, it is the affirmative responsibility of each licensee to prove, by clear and convincing evidence, that they remain qualified for a license. Now we're here today because of Andrew Williams's conduct on December 3rd 2017. And that conduct fell far below these high standards. Um, his conduct was egregious and a significant administrative penalty was warranted because of it. Um, based on Mr. Williams's conduct, the disruption it caused, and the danger it represented, the Gambling Commission staff believes the revocation of Mr. Williams's license is the appropriate penalty.

Kellan Wright: The administrative law judge in this case imposed a one year license suspension, um, instead of, uh, a license revocation, and the Gambling Commission staff believes that that judgment was in error. Uh, the commission staff therefore asks that the administrative law judge's initial order be modified and a penalty of revocation imposed.

Kellan Wright: Um, it is indicated in my petition and in the surveillance video, um, that was submitted, the incident on December 3rd 2017, began inside the casino with Mr. Williams yelling at a fellow poker player. Repeated attempts to get him to cease yelling at the player, to get him to calm down, failed, and casino staff then asked him to leave the casino. He refused to do so. Uh, police had to be called. Once police arrived, Mr. Williams continued to refuse to leave the casino and the officer actually had to physically escort him out of the casino. At the entrance to the casino, after the officer let Mr. Williams go to walk out the door



and leave, Mr. Williams turned and deliberately shoved the police officer backwards. Outside, Mr. Williams confronted the officer and repeatedly approached him despite being told to back off.

Kellan Wright: The situation only ended with the arrival of three more police cars and four more police officers, who were called in as backup. During this incident, Mr. Williams fails to act with the standard expected and required of a gambling licensee. It's worth noting that the incident of December 3rd, only progressed as it did because Mr. Williams made a series of decisions to repeatedly escalate the situation. At almost any point, Mr. Williams could've resolved the situation and we would not be here today. He could've heeded the dealer after his language and actions earned him a warning from the dealer. He did not. He could've left the table when he was told to by casino staff. He did not. He could've left the casino when, wh- when he was told to by casino staff. He did not. He could've left the casino when he was told to by the police officer. He did not. He could've left the casino after he was escorted outside. He did not. He could've left the property once he was outside. He did not.

Kellan Wright: In each case, Mr. Williams chose to escalate the situation. Indeed, he did so significantly, most notably by shoving the police officer at the doorway to the casino. Now another thing to note is the risks that conduct like this can pose to gambling commission agents. They are law enforcement and they do put themselves in harms way, but they are not police officers. They're not equipped like police officers and they do not have backup, only a radio call away. If this is how Mr. Williams reacted when he was dealing with a uniformed police officer, there is no guarantee that he would not act similarly towards a gambling commission agent. Or even a patron at a casino if he became upset with them.

Kellan Wright: Allowing someone under these circumstances to remain licensed would send a message that conduct, such as Mr. Williams's, is not beyond the pale and will not necessarily result in license revocation. This jeopardizes agent's ability to ensure that licensees cooperate with them. Ultimately, the gambling commission staff believes that this is an industry that demands high standards. Licensees cannot be allowed to ignore the orders of dealers, casino staff, and police officers. Licensees cannot be allowed to refuse to leave a casino when ordered to do so. Licensees cannot be allowed to shove police officers who are acting in the course of their duties.

Kellan Wright: Mr. Williams fell below these standards and there's no guarantee that he will not do so again, either dealing in gambling commission agents or with the public. For these reasons, the gambling commission staff believes that Mr. Williams cannot meet his burden to show that he is qualified for a license, and we ask that, therefore, that his license be revoked. Thank you.

Mr. Sizemore: How much time does he have left?

Speaker 2: Five minutes.



Mr. Sizemore: Okay. Mr. Williams.

Andrew Williams: Sorry I'm, I'm kinda new to this. I've never-

Mr. Sizemore: I know-

Andrew Williams: [crosstalk 00:11:28]

Mr. Sizemore: ... there's a lot of pages in the record, so, I think you've gotten a little practice.

Andrew Williams: A little bit. Well um, to start with, that morning when I arrived, in the casino, it was two hands until the situation started where I used profanity, but I immediately apologized to the dealer. I didn't cause the commotion at the table. The young lady across the table caused the commotion at the table. She started yelling at me because she was upset because I used the profanity. At that point, I just defended myself and said, "I'm sorry. I, you know, I just used a profanity," and I apologized to him but she just kept going on with the situation. So the [floor 00:12:21] came over and instead of doing the proper procedure, like deal both of us out and solve the problem, he came over and talked to the dealer, asked me a few questions, and turned around, and... I was confused and what was going on.

Andrew Williams: So as I turned around, the game had started back up but I was still dealt out of the game. But she was dealt in, which, she was still talking to me. And I was trying to figure out what was going on. So, in this whole two minutes at the table before... the, everything started, I mean within two hands, it was a big commotion. Which, I'm a dealer. I would never start any commotion in a casino. I've been dealing for 20 years. I know better. I know my job. And the only thing that, kinda threw me off was, he didn't ask me to leave.

Andrew Williams: He kinda walked away and, I, when I turned around, they was playing and I looked at the dealer. I said, "Why am I not dealt back in?" So I was already confused on the situation of him walking away from me without trying to get the full situation that was going on. So as I turned around and I asked him, "What's going on?" He said, "I called the cops." He never asked me to leave. If he'd have asked me to leave, I would've got up, cashed out, and left. 'Cause all I did was come and eat breakfast and, and to, just weared out from driving from Bellingham, from seeing a girlfriend that I had in Bellingham.

Andrew Williams: So I was coming in to just have a little breakfast and wind down before I went home and went to sleep. Which I live like, walking distance to the casino. So, as I continued to go, um, she just kept going at me and I just, I got back into it with her again. Because, I wanted the floor to know as well, it was collusion going on at the table. And when I pointed at her, she smacked me with her phone. And the officer ended up being right, on my right side. And as he showed up, I grabbed my chips, as he said, and I walked to the podium, nice and calm. I sat at

the podium and did exactly what I was told to do. I asked for a permission slip from sa- not, uh, what they call it? Um, uh-

Mr. Sizemore: Incident report?

Andrew Williams: Uh-

Mr. Sizemore: Incident report?

Andrew Williams: Incident report. So I could fill out, so that they can have, while there are people there to see, you know, what happened. So I could have it filled out. And the fu- I don't understand why he ignored me. He ignored me three times. That's when the cop grabbed my arm and pushed me back. And he pushed me by my, as they would say, torso, but he pushed me by my throat. But they couldn't see it on the film. But as you can see, he pushed me by my throat and then grabbed me by my arm and started pulling me away.

Andrew Williams: I felt uncomfortable going outside with that officer. Beside, he wasn't the one that was called. Mountlake Terrace Police. Sorry. I (chuckles), Mountlake Terrace Police was called to the scene, not him. He just showed up because he was in the area. He was Edmonds. And I just felt uncomfortable going out with him by him doing that to me and pulling me towards the door, rather than, I understand him saying, "Okay, it's time to go." You know. But I was being very polite and all I asked was the floor to give me the incident report. I needed it. And look where I'm at now without it. I mean, I think if I'd 've had witnesses on that report to show that I wasn't the one who started all the noise or whatever, I think I'd 've had a better case of defending myself in this situation because it kinda caught me off guard. I kinda forgot a lot of stuff because they waited so long to come back with this.

Andrew Williams: And I kinda don't remember a lot of people that was there. And a lot that went on at the door. But at the door I'm, I would never- I was in the military. I would never put my hands on a officer in any harmful way. I would never try to harm him in any way. I was just pushing him back just to say, well not pushing him, but just putting my hand out, to say, "Hey, please. Let me just wait until the other officers get here." Because I wanted to feel safe. And as I got out the door, he came right in my face like (sighs). Because I said I was gonna press charges on him, so he kinda got upset with me. And he came in my face. And then as the cops came, I just went out to the street, put my hands in the air, and he did the same exact thing as he did to me in there: pushed me by my upper torso. Saying that he was protecting the cops, who was inside their vehicles. As they could see, I was trying to get away from him.

Andrew Williams: And all, all it cou- it could've all been solved if... even if they'd 've asked me to leave, it could've been solved. Or it could've been solved by him just giving me the [inaudible 00:17:49], and I could've just filled it out and solved all the problems. My job, that I was working with, they understood, they gave me my

job back because they seen how quick the officers was called from the table. They saw how he called the officers before he even asked me to leave. I mean he (sighs)- if he'd have just came to me and said, "Can you just get up and go", I probably would've asked, you know, "Why am I getting treated this way and she's getting, not getting treated the same?" 'Cause it wasn't the same treatment and I wasn't the one who started it.

Andrew Williams: And I wasn't the one who started it. I wasn't the o- I, I did start it. I said the f bomb. Which was not, which caught me off guard as well 'cause it was just a... quick oops, is what it was. In poker, sometimes people oops and you know, they solve the problem. But maybe he was there by his self. He didn't know how to solve it because it was so many people in there, which they should have more security, surveillance, or something got the amount of people that was in the casino so then he can have help. Or something. I don't know what his deal was but I just was... bad timing, bad place, wrong table, I don't, I don't know how to say it.

Andrew Williams: This whole situation just caused me (chuckles) a whole year of not being able to work because every application I put in was denied. And they told me I can work, but I never was able to work. I, I never understood. And then I got a company that put it in, and they had to pull out because gaming was gonna fine me. So they pulled out, and kept the money and told me why. And I, all this time, I never knew why. The whole four months of trying to get a job. Putting in applications here or there. I never knew until the. And it hurt me. I mean, I couldn't get a lawyer. I couldn't get nothing because I wasn't able to work. I couldn't get a job because my unemployment paid me more than a regular job did. But it wasn't paying all my bills and taking care of my kids and doing this and that.

Andrew Williams: But I don't know. I, I'm... I just don't understand this- the si- well I understand the situation. I put my hands on a officer. I, I clearly wouldn't have never did it again if, if, if it was coming down to this. And I didn't think it was gonna come down to this because he didn't, he's a officer. He could take me down at any time. He could've did anything to me. He didn't do nothing but just stand there and like, because he knew what he did to me. And he knew what I was talking about when it happened. I told him to stay away, I'm pressing charges against him, and, and he understood. He understood the situation.

Mr. Sizemore: Does anybody have any questions for either one?

Group: [inaudible 00:21:17] Could they talk about that?

Speaker 2: Yes his, uh, it was uh, his reasoning basically seemed to be that there wasn't uh, any prior conduct of this type. Um, and so, uh, suspension was what he thought was the appropriate penalty.

Group: So, his point was that Mr. Williams has no prior, um, [inaudible 00:21:50]. This is the first time anything like this has happened?

Speaker 2: Uh, yes, as far as his administrative record. He has a couple of warnings, but nothing else on his, uh, violation history with the commission.

Group: [inaudible 00:22:00] did the warnings have anything to do with violent behavior or behavior that is similar to [inaudible 00:22:10]?

Speaker 2: I don't believe so. I think that [inaudible 00:22:12].

Group: [inaudible 00:22:16] um, other than traffic violations or something obviously that any of us have been involved in that. But has he ever been involved, um, with the law, uh, in, in a way that is similar to this?

Speaker 2: Have...

Group: And what was the first time you've had an experience with the law like this?

Andrew Williams: 20 years of dealing, I've never had any problems with the gaming commission.

Mr. Sizemore: Commissioner Droyer?

Comm. Droyer: How long have you had your license?

Andrew Williams: 20 years.

Comm. Droyer: How long were you working after this incident? Before-

Andrew Williams: After this incident?

Comm. Droyer: After the incident, did you work?

Andrew Williams: I worked six months the year. A year.

Comm. Droyer: Were you uh, were you drinking that night?

Andrew Williams: No, sir.

Comm. Droyer: Just had a bad night?

Andrew Williams: Just (chuckles), just bad whole situation, I mean-

Comm. Droyer: Poker term, poker term-

Andrew Williams: ... it was good up to that point.

Comm. Droyer: ... you were on tilt.

Andrew Williams: It was a great time to that, I mean, am I, I mean I just driving back. Nice time driving back, just wanted to have breakfast. And sit back. That's the only place that was open at that time. I had \$80 left. Just wanted to sit back and have breakfast and go home and wind down.

Mr. Sizemore: Mm-hmm (affirmative). Any further questions?

Comm. Sterns: Yeah. So uh-

Mr. Sizemore: Commissioner Sterns.

Comm. Sterns: The uh, 'cause I got the [inaudible 00:23:41] report. [inaudible 00:23:41] formed the impression that you had been drinking? I don't, I don't know, formed the impression [inaudible 00:23:56] standard. Um, [inaudible 00:23:59] that you were obviously intoxicated. That they could smell [inaudible 00:24:07] they found out that you weren't [inaudible 00:24:12] You admitted in drinking but you weren't intoxicated?

Andrew Williams: I wasn't intoxicated at all. I had a, when we went to dinner at like 10 to- uh, I think, 10:30 was th- probably our last drink before we left to go home to do whatever. And, but that was it. It was nothing, just a couple beers and talk and chat and enjoy us, and that was at 10:30 at the latest.

Comm. Sterns: Did you ever ask for [inaudible 00:24:44]

Andrew Williams: I, I was the first to get the tip because I was gonna press charges against the officer. So I had to go to Edmonds and receive the tapes. I couldn't get 'em uh, from Club Hollywood, well, or The Red Dragon. So, I had to get 'em through the police department.

Mr. Sizemore: Okay. Any further questions. Okay, um, so I believe Mr. Williams's time has expired. Is that correct?

Speaker 2: Twenty seconds left.

Mr. Sizemore: Twenty second left. Certainly. Okay. Uh, so, uh, Mr. Wright, you have about five minutes to go ahead and t- finish up.

Kellan Wright: Uh, so I think that, um, certainly Mr. Williams was upset, um, but I don't think that excuses any of the conduct here. Whether we, he was on tilt or, which I think often people are but I don't think that excuses this conduct, particularly of a gambling licensee. Um, they're held to a higher standard than this, even when they are upset about a decision of a floor supervisor or upset with another patron, um, this is not the conduct, the kind of conduct I think that, uh, this

commission can condone of a licensee. Um, and I think that if you, there is a video to review. It does show essentially, the entire incident so you can see how it unfolds in real time. Um, I do think that you can see on the video that Mr. Williams does shove the officer back. The officer, fortunately, is a pretty big guy, um, and so he, but he still has to take a step backwards. And you can see that in- after the off- officer's shoved backwards, he calls on his radio for backup. He tells them to step it up.

Kellan Wright: That's because when someone puts their hands on the police officer, that significantly escalates the situation. That demonstrates someone who may be, um, willing to get violent. Who may, um, pose a threat. So the officer felt that, in that situation, he had to call for backup. And you can see on the video that eventually three other police cars and four other police officers have to arrive, lights flashing, uh, because of the situation. And you can see also in the video that Mr. Williams repeatedly approaches the officer outside. Um, I think that's contrary to what he's saying here. In the video, you can see him come up to the officer, and I think the officer does show a good amount of restraint because Mr. Williams does approach him multiple times even after the officer tells him, um, to step back.

Kellan Wright: Uh, so I don't think it was a situation where the officer was the one that was being at all aggressive or approaching Mr. Williams outside. I think it's pretty clear from the video, um, what was occurring. Um, so I think that ultimately, whether or not someone feels that the floor made a mistake or that another patron was the one who caused the incident, or anything like that, there is an obligation to comply with the lawful orders of both casino staff telling someone to leave their property, and especially with law enforcement when they say, tell someone to leave the property. And I think that can reasonably expected of gambling commission licensees and I think that did not occur here.

Kellan Wright: Um, and for that reason, and because of the circumstances here, um, the gambling commission staff believes that revocation of the license is more appropriate than a suspension. Thank you.

Mr. Sizemore: Last opportunity, any further questions? All right. So, at this point, unfortunately, we don't have a separate room that the commission can go to to deliberate. So at this time, we will go ahead and go into a closed session, uh, for deliberation on this matter. Uh, which means, everyone has to clear the room.

Group: [inaudible 00:28:25]

Mr. Sizemore: Yeah. Uh, so, uh, I expect that we should be able to complete our deliberations within 15 minutes so, um, let's plan on 9:55, uh, return, and we'll let you know if it takes longer than that. With that, we are in closed session. (bang)

Mr. Sizemore: (Bang) Okay we will, uh, return to the public meeting. Uh, the commission has completed their deliberations and the commission is denying the agency's

petition for review and affirming the initial order that imposes a one year suspension. So, and then, whatever the legal documents will be drafted and distributed. So, in the matter of, um, Andrew Williams, we are done. (bang) Thank you.

Mr. Sizemore: Uh, moving on in our agenda, uh, tab three is a request to exceed the \$300,000 limit in raffle prizes, uh, from the National Rifle Association Foundation. Uh, sounds li- or looks like Jim Nicks, uh, Special Agent in Charge for the Regulatory Unit, will be making a presentation. And then I do believe we may have a couple of individuals, uh, from the NRA as well. So, welcome Mr. Nicks.

Jim Nicks: Thank you. Commissioner Sizemore and uh, fellow commissioners, uh, we have uh, Brad Kruger, he's a regional director, Western regional director and Mike Herrera is a field representative with the National Rifle Association Foundation. And uh, they have made a request to exceed the \$300,000 limit on raffle prizes. Uh, this is actually their third request. You may recall they made a request for the 2018 license year and their 2019 license year, which you approved. And they're making a request for their upcoming license year, which begins October 1st of this year for the proceeding, uh, for the next upcoming year here.

Jim Nicks: So under Washington administrative code, uh, they made their request, they submitted a raffle plan. The raffle plan was reviewed by the regulatory, uh, supervisors and found to be in compliance and acceptable to us. Um, they appear to meet all the requirements necessary for uh, such a request, and, uh, the regulatory unit, uh, has moved this forward for your, uh, decision, as far as approving this or not. So, Mr. Herrera and Mr. Kruger are here to answer any questions that you might have.

Mr. Sizemore: Okay. Do you have any, um, information you'd like to share?

Speaker 3: Not at this time, sir-

Mr. Sizemore: Or simp-

Speaker 3: ... we submitted it all already.

Mr. Sizemore: Okay. Um, are there any questions for- okay. Commissioner Patterson?

Comm Patterson: I'd like to know, how much did you raise the limit last year, from what to what?

Speaker 3: We raised it from 300 to 500, the exact same that we're asking for this year.

Comm Patterson: Exactly the same?

Speaker 3: Yes, ma'am.



Mr. Sizemore: Uh, I thought this years was a million.

Speaker 3: No, sir. That was a million dollars gross, is what we anticipate. Five hundred thousand in raffle prize.

Mr. Sizemore: Okay.

Comm Patterson: I um [inaudible 00:32:10] I have a lot of questions and concerns that, I don't know if this is the appropriate time or place to voice those. I don't know, will we have testimony from others or [inaudible 00:32:20]

Mr. Sizemore: So, yeah, certainly process um, we have staff as well as the advocates, um, before us now. We can certainly ask them any questions, um, and then I will open it up for public comment.

Comm Patterson: Yes.

Mr. Sizemore: Um, and then, you know, ultimately we, as a body, just, whatever information we need to make a decision, um, we can take the time and do it, so.

Comm Patterson: So the big, the big question for me-

Mr. Sizemore: Mm-hmm (affirmative)

Comm Patterson: ... Mr. Chairman is whether or not I [inaudible 00:32:55] beyond a shadow of a doubt that the money uh, has, is being used for charitable purposes, supposedly being used for charit-

PART 1 OF 6 ENDS [00:33:04]

Julia Patterson: ... Chair the whole purpose is supposedly being used for charitable purposes, is not also helping to finance the NRA's political activities. And there is some doubt, uh, being raised nationally about the extent to which this is possible, and I don't want to in any way enable the NRA's political activities. Um, so I just wanted to say to my colleagues on this commission that, I wanted to say to my colleagues on the commission that, if we hear today that there is no possible way that this money can be used for anything other than charitable activities, then I will be looking at this favorably. But if I can't be re-reassured of that, if I can't, if that can't be proven to me, um, I don't know that I can take a vote today. So Mr. Chair that's what I'll be looking for, is information along those lines.

Mr. Sizemore: Okay. Any, commissioner Troyer.

Ed Troyer: I have two questions. Um, is any of the money raised here go to the national organization?

Speaker 4: Yes.

Ed Troyer: Money raised here does go to the national organization?

Speaker 4: Goes to the NRA Foundation.

Ed Troyer: Some of this charitable money-

Speaker 4: Yes sir.

Ed Troyer: Goes the to the national organization-

Speaker 4: To the NRA Foundation.

Ed Troyer: Upstate?

Speaker 4: Yes sir.

Ed Troyer: Second. Does any of that money ever eventually make it to a pack?

Speaker 4: No sir.

Ed Troyer: What happens with the money when it goes to the national organization? Do you earmark for something, uh?

Speaker 4: It, we are a 501(c)(3) charity just like Red Cross, Salvation Army.

Ed Troyer: Mm-hmm (affirmative).

Speaker 4: So we're highly regulated by the IRS. It has to go towards our mission statement. So it goes to promote like the Eddie Eagle GunSafe Program, Refuse to be a Victim program, uh, Why Heck. These are, um, educational programs, um, some are fire arms related, some are gun safety related, training, things like that.

Ed Troyer: Got any salaries to anybody that's employed by the NRA?

Speaker 4: Uh, yes.

Mr. Sizemore: Commissioner Stearns.

Chris Stearns: Okay, first I'm not sure. Have we, um, have we looked into this sir?

Speaker 4: We have not looked into this. It's, it's part of the, the ruffle requirement approval. We have not looked into this stuff.

Chris Stearns: But we, we could if we, if we had some actual time off we could investigate and make sure that everything is done according to our rules and regulations?

Speaker 4: Yes.

Mr. Sizemore: Okay, um, go ahead sir.

Speaker 4: Sir, um, I do, I did bring copies too just to demonstrate, um, we are a 501(c)(3) organization and we don't do anything political. The NRA Foundation does not. We can't by law. And just to as an example of that I brought our speaker acknowledgment. If anyone wants to speak at our events they have to sign this. We have copies for everyone on the commission to pass those out. And then our fundraising policy and guidelines this is for, not only for the field rep but also for our volunteers. It spells it out very unequivocally that we do not engage in political or legislative, uh, practices. That's not what we're about. We are the NRA Foundation not the NRA.

Julia Patterson: Yes.

Mr. Sizemore: Yeah. Commissioner Patterson.

Julia Patterson: So Mr. Chairman I, I believe that these individuals wouldn't want the money to be diverted in that way. I believe that that's something that you wouldn't want to see happen.

Speaker 4: Personally? Ma'am I'm-

Julia Patterson: And I, and I believe that that is the policy of the NRA. I believe that, but whether or not that's actually happening, I mean that's the question. And so I think that there is a national question about that. I think on a national level people are asking this question, the one that we're asking you today and I, I don't know that you as an individual you too can answer that but there's an outstanding question as to whether or not your foundation's money is being spent appropriately. I, I as an individual don't want that money to spent politically in any way, shape or form and I don't know how we're going to be reassured that based on some of the recent news that has come out. Um, some of the activities of Mr. LaPierre, the way he's been spending money, where that money comes from. I don't know how we're gonna get to the bottom of that. I truly support gun safety, promotion of gun safety and, uh, Eddie Eagle is a good program.

Mr. Sizemore: Do you have a question?

Julia Patterson: I'll wait and see what peo-

Mr. Sizemore: Okay. All right.

Julia Patterson: And hurry me along.

Mr. Sizemore: All right. Well, I was seeing if there was a question. So, um, all right, uh, so with that and-

Conway: I have a question.

Mr. Sizemore: Yes, Senator Conway.

Conway: You have a, a state officer, do you actually have the foundation have a state officer? Do you, do you actually ha- I'm, I'm assuming that you work, you the dollars you generate goes through a state office here. Is that correct or not, or do you basically directly send the dollars to the national organization or the national foundation?

Speaker 4: Michael Herrera is the field rep here in Washington.

Conway: Yeah.

Speaker 4: And he administers the friends of NRA program here in Washington. Um, we do send the, uh, we do send our proceeds back to, uh, headquarters however. Um, then we have our state fund grant system, um, and that money is earmarked to be spent in the state of Washington.

Conway: So do you have accounting of that money then?

Speaker 4: Yes sir. I don't know if they gave you this. This is the thing that we-

Conway: All right. Yeah, I did.

Speaker 4: Put in here. We've given \$4.25 million to the state to different groups inside Washington since our inception in 1990.

Conway: All right.

Speaker 4: This one here with the graphs.

Conway: Yeah, I think I have it. I've got so many things, yeah.

Mr. Sizemore: Commissioner, uh, did that take care of you there senator?

Conway: Yeah.

Mr. Sizemore: Okay.

Speaker 5: I have, I, I, I'm, I have, I'm the executive director for 501(c).

Mr. Sizemore: Yes sir.

Speaker 5: And have been for 12 years. That being said, we have a local program state of Washington and even drilled all the way down to Pierce County with a separate 501(c) number than the national foundation does in two different programs that I work. So do you have a state or local 501(c) that's different than the national foundation or are you raising money for the national foundation and, and it doesn't go to your local department, it goes off. Does all the money go back to foundation-

Mr. Sizemore: Many organizations do this.

Speaker 5: And is earmarked for some of them for you to spend and some for them to spend? You understand the question I'm asking?

Speaker 6: We do. It's our state fund, right?

Speaker 4: Yes, our state fund is the local.

Speaker 5: Do you have a separate 501(c) in the state of Washington.

Speaker 4: Yes sir.

Speaker 5: That's different than the national organization?

Speaker 4: Yes sir.

Speaker 6: And the, we, we don't just do ruffles at our events. We also do live auctions and silent auctions.

Speaker 5: Right. And can you provide us with your IRS exemption letter that says its state?

Speaker 6: Uh-

Speaker 5: You have an IRS 501(c) letter?

Speaker 6: Yes sir.

Speaker 5: Not now. But sometimes it's the one, you know what I'm talking about?

Speaker 6: Yes sir.

Speaker 5: The one sheet paper that does admit to it's a 501(c) with your, uh, identification number on it that shows that you're a separate organization than the national foundation. You, you can't do that?

Speaker 4: I don't. Sir I don't ... To speak clearly I don't know if we are a 501(c)(3) the our, our state fund committee is a Washington non charity, non charity.

Speaker 5: So you're a registered nonprofit?

Speaker 4: Right, nonprofit. That's-

Speaker 5: In the state of Washington.

Speaker 4: Yes sir.

Speaker 5: It's not a 501?

Speaker 4: Yes sir.

Speaker 5: So then how do people get, uh, how do people, how are people able to, um, write it off on taxes and everything if you're not a federal 901(c) in the state of Washington. They're writing it to you the check must be, be cashed by the national foundation or people can get the tax write off.

Speaker 4: For buying a ruffle ticket sir?

Speaker 5: Well, not just buying a ruffle ticket but if anybody would make a donation to your organization, whether it be small or-

Speaker 4: Then it would go to the NRA.

Speaker 5: But somebody is going to buy something at silent auction for \$1200 or something, they're going to want a tax deduction, goes to national-

Speaker 4: Yes sir.

Speaker 5: Uh so you don't have a 501(c) in state of Washington? That's all I'm just trying to clarify.

Speaker 4: I don't believe we do sir.

Mr. Sizemore: So, I have one question. I'm not sure whether you'll be able to answer it but we'll see here. So, um, educational purpose, is, um, a pretty broad term.

Speaker 4: Yes sir.

Mr. Sizemore: Um, and, uh, there are some specified educational programs that are listed within, um, the materials that we've gotten, um, but there is also the, the global kind of general term of education. So in that is, uh, issue advocacy, um, not, not

uh, utilizing any, any, uh, elected official or candidates name, uh, is that a, um, an activity that's possible to be s- uh, financed through the foundation?

Speaker 4: I'm, I'm afraid sir, I don't understand your question.

Mr. Sizemore: Okay, so issue advocacy, um, on, uh, on guns, uh, that advocates for, um, uh, uh, more, you know, s- some, you know, message from the NRA, um, that doesn't, doesn't list a candidate's name but just advocates for a particular position on a gun issue.

Speaker 4: The legislative issue sir?

Mr. Sizemore: Um, well, it could be just generic, could be not necessarily particular legislation, just could be, you know, protect the second amendment or something. Um, that is generic, there is no bill yes or no, um, that it it's speaking to. Um, and so my question are, is there a possibility that foundation dollars could be used for that type of issue advocacy?

Speaker 4: The legislative, no. We, we don't back any bills or anything.

Mr. Sizemore: That, it's not, that wasn't the question. It was ge- generic issue.

Speaker 4: We do promote the second amendment. We, we promote freedom, that's one of our, our thi- our, our mission in our mission statement.

Mr. Sizemore: Through, through the foundation?

Speaker 4: Yes sir.

Mr. Sizemore: Okay. All right, um, do you have anything else, anything else you guys would like to add 'cause I'm gonna open this up for, uh, public comment.

Speaker 4: Just if there was any questions on our speaker knowledge or speaker policy or fundraising policy and guidelines.

Mr. Sizemore: Anyone? Okay, uh, thank you. So if, uh, if you could ... Is there any folks that would like to make public comment? If you could raise your hand so I kind of have a sense for ... So one, two, three, four, okay. All right, so, uh, yeah if you guys could give them room or go ahead and take you one at a time. If you could, when you reach, uh, the microphone, if you could identify yourself, uh, for the record and if you're representing any organization, uh, and we will try to limit, uh, to about five minutes and [inaudible 00:45:58].

Speaker 4: We can surely use a microphone.

Mr. Sizemore: Oh sure. There we go. Absolutely.



Patterson: [inaudible 00:46:02] this is an [inaudible 00:46:07] then you can have it done special afterwards.

Sheri Sawyer: Good morning. My name is Sheri Sawyer. Uh, I'm the Policy Advisor to Governor Inslee. Thank you Chair Sizemore and commissioners for an opportunity to make a few comments and I promise I'll be under the five minute limitation here. Um, I know there is a myriad of state laws and regulations around firearms, particularly around the sale and transfer of firearms and I know that the commission has specific regulations about awarding, uh, firearms as a prize in a raffle or an auction.

Sheri Sawyer: So, uh, on behalf of Governor Inslee our request is pretty simple and we're asking that the commission at this time delay any action on this particular agenda item until there is 100% assurance that all state, uh, regulations and laws are being followed in this regard. Uh, it would be a travesty if we were to find out that for any reason that they were not being followed and I think it's really incumbent upon the commission to ensure that before there is any, um, any, uh, uh, decision to, uh, put more guns and more firearms out there in the public that we, you have an assurance that they are meeting the letter of the law and state regulation.

Sheri Sawyer: And, uh, I also would like to comment on what Commissioner Patterson had to say earlier, we share that concern, uh, with commissioner Patterson that, uh, with the investigation that's currently ongoing within the state of New York, uh, and we think that it would be prudent to, uh, determine whether or not money was being received for charitable purposes, that this was not being used to help finance the NRA's political activities. And with that I have no further comment but I'm certainly happy to take some questions.

Mr. Sizemore: Okay. Any questions? All right.

Alicia Levy: I have a question Mr.

Mr. Sizemore: Yes.

Alicia Levy: Um, are you, are you saying that sometimes the raffle, so one of the concerns you're having is that that they are raffling off firearms?

Sheri Sawyer: I believe that that is true.

Mr. Sizemore: Yeah.

Sheri Sawyer: Yes, they are raffling off firearms or certificates for firearms.

Alicia Levy: Or and do we know what I mean-

Sheri Sawyer: I don't, but I would defer to the folks here.

Alicia Levy: Ruffle off firearms.

Speaker 4: Yes we do.

Alicia Levy: Okay.

Speaker 4: And we do, we got 100% in compliance with all state laws and regulations. They have to go through a background check on every one of them.

Mr. Sizemore: And [inaudible 00:48:32].

Speaker 4: Picked up at the FFL. WE don't let them walk out of the bank with it the end of the night with any firearm. They have to go to the dealer and everything that you guys, that Washington State says they have to do.

Alicia Levy: That was gonna be my next question is the [inaudible 00:48:43].

Mr. Sizemore: Okay. Director.

Speaker 5: Uh, thank you Mr. Chair just a point of clarification. So what our rules and laws require is that the firearm itself not be awarded as, directly as a prize but a certificate be, can be given and that's what, uh, speaker was referring to. That certificate is provided and then, uh, the person goes to a licensed, federally, uh, licensed firearms dealer for the exchange and so, uh, the other thing is they're required to kept records of ruffle winners and so if, uh, hat would be a fairly easy, easy, I guess, that's in the eye of the beholder we could, uh, confirm that.

Alicia Levy: So the governor's concern is, again the governor's concern is not necessarily that they're ruffling off these certificates for firearms, the governor's concern is to be certain that state laws are being followed in association with that practice.

Sheri Sawyer: Yeah, the latter concern is of particular importance today. Yes, that all applicable state laws and regulations are being met and I think that there should be some confirmation before, um, any action is taken.

Mr. Sizemore: Okay.

Speaker 5: We'll respond to that just quickly. As far as the ruffle plan goes they did sp-specify in the ruffle plan that we re- that we reviewed prior to this meeting that they intend to follow all federal state laws in this regard. So that is something that they identify in the ruffle plan prior to the state and something that we took a look at to make sure that they were aware of that.

Mr. Sizemore: Okay, uh-

Ed Troyer: Sizemore I have one more question.

Mr. Sizemore: Yeah, yeah.

Ed Troyer: Um, when you have the ruffles in your events, are they NRA members that are buying tickets or is it general public have a chance to buy tickets too?

Speaker 4: General public. So you do not have to be a member to attend a friends of NRA event.

Mr. Sizemore: Okay, good show. All right I, and I think I'll just mention just in recognition that I believe that the NRA is not the only organization that ruffles or auctions off guns. So, um, all right next, uh, person that would like to speak raise your hand. Thank you.

Tallman Trask: Uh, good mor- good morning my name is Tallman Trask. I'm The Policy and Advocacy Director at the Alliance for Gun Responsibility here in Washington. Um, I'd like to thank the commission for offering time for a public comment on this issue. Uh, I have prepared remarks, um, but I'm going to leave them aside. They're all about the kind of firearms that are ruffled off and, uh, my moral indignation about the idea of the state sanctioning additional firearm auctions beyond established limits.

Tallman Trask: Uh, rather than that I'd like to speak to some of the concerns that have been raised by other individuals about, uh, and commissioners about specific concerns, uh, with charitable funds making it into political, um, uh, donations. Uh, in, in addition to the investigations that the NRA is under in New York state, uh, there is an open investigation against the NRA Foundation, uh, where it is chartered in Washington DC, specifically around approximately \$200 million of money that has been moved from the, the NRA Foundation into the NRA's C4, that is their, uh, lobbying and, um, and legislative advocacy wing.

Tallman Trask: Uh, that \$200 million has been moved in just the past decade. Uh, that's clearly a concern that ought to be brought before this commission as they consider whether or not they, we ought to be auctioning, uh, off additional firearms and ruffling off additional firearms with approval in the state particularly if the, uh, money is making it into legislative advocacy purposes rather than the often times good charitable purposes for which, uh, it is originally intended. Um, and, and that is, uh, my comments. I'm happy to answer any questions, um, and thank you for your time this morning.

Mr. Sizemore: Okay, anyone else. Raise your hand and thank you.

Jordan Waits: Good morning. Uh, my name is Jordan Waits. Uh, I'm a former marine and a constituent of the 29th. I'm just here today to voice my personal opinion. I don't think with our clime in gun culture right now and the things that have happened over the last, uh, the last weekend that is an appropriate time to move forward

on this. I think also with the national conversation about the NRA's questionable spending habits at the national level, uh, I just would urge you to vote no on this. Thank you very much for your time and for taking public comment.

Mr. Sizemore: Thank you. Do we have any other more? All right.

Aurora Straus: Hi, um, my name is Aurora Straus Reeves, um, and I am a sophomore in college. Um, and I just would like to say, um, that I do not support the raising, um, of the limit for ruffling off guns at NRA rallies. Um, so like I am a student in college and I know for certain that me and other students like constantly live with this like thought process in our heads that like at any moment we could be in a classroom, um, or in the dining hall and someone could come in with a gun and like shoot us. And I think that everyone is kind of aware of that because of the current climate in our country and because of the recent shootings. Um, and so I would just like to say that I do not support, um, the raising of this limit and I hope that everyone else takes us into consideration as well and what the implications of this decision would mean. So thank you so much for your time.

Mr. Sizemore: Thank you. Any further public comment? All right. Um, any more questions of our panel, any kind of final thoughts from the panel?

Speaker 4: Well, the, the primary mission of the NRA Foundation, the number one mission is to promote firearms education and gun safety training. We do that through the friends of NRA events, um, which we do it also with the mon- proceeds from friends of NRA events, we do it at the national level through firearms, uh, education and training program and we also do it here at the state of Washington. We've given \$4.25 million here in state of Washington, uh, for different, um, forage groups, uh, youth on our education challenge, women's firearms training, things like that and as well as, uh, shooting range development, to help build shootings ranges so you guys have safer places to shoot. Um, we also promote hunting and conservation. Um, this is, this is our mission, okay. We're heavily regulated by the IRS, we are 501(c)(3). Um, I don't know what else to-

Mr. Sizemore: Okay. Yes.

Julia Patterson: Mr. Chair.

Mr. Sizemore: Yes.

Julia Patterson: I just like to say I think that's what the NRA's mission was for many, many years but then it expanded. So from, from my point of view, that mission that you have is something that throughout my life is very much supported. But then the mission expanded. And so what I wanna make sure of Mr. Chair is that the original mission that we just spoke of is being funded but that money is not being used for your expanded, for your expanded mission. So Mr. Chair I hope that we delay the vote as well. I think the governor has a good point.

Mr. Sizemore: Okay, Commissioner Troyer.

Ed Troyer: I'm in law enforcement and I support all those programs that you guys have done but al- also being in law enforcement, now times have changed. Certainly there is a lot of, uh, unfunded mandates put on us on law enforcement when it comes to some of these regulations and everything and I get that but times have changed. And I love all those programs but where I have a hard part exactly like with the governor's office is how much of that backing money, how you gave 4.2 million to the state but the 12 million go to the national foundation, to the black hole of things we don't know about. So I, I just publicly will have to say we put this vote off and do a deeper dive look into where the backing of these funds are going.

Mr. Sizemore: Okay, commissioner Stearns.

Chris Stearns: Um, uh, uh, I'd agree with my colleagues on the commission. Um, I think the points raised by the governor's office are, are important and, you know, it is something that we can investigate, you know we have the staff that that does a really good job at that so I'm, I, I, you know, just given the importance of this issue, I'd, I'm much more comfortable waiting until we get information back from our staff before I'm asked to take a vote.

Mr. Sizemore: Okay. S- so-

Alicia Levy: Make a motion then?

Mr. Sizemore: You, you may.

Alicia Levy: That's the rule. Move to p- postpone this vote until we receive further information from the NRA Foundation regarding how the guns are ruffled off, that the guns are being, that you can prove that the guns are being given away in a manner that meets the law, that the money is being used in a manner that's for your foundation and for no other purposes and once you can bring us that information and we can feel confident and comfortable then we can move forward with this vote.

Julia Patterson: I'll second it.

Speaker 4: Um, um, I, I'd like to have the staff weight in on that.

Mr. Sizemore: Okay, so if I can summarize, um, I believe we have a motion and a second to delay action on this item until, um, the proponents can provide, um, adequate justification or, uh, proof I guess would be a better word of um, compliance with all state and federal, uh, gun transfer regulations as well as, uh, a, an appropriate accounting of, uh, foundation dollars so they're not cross contaminated with, uh, the C4 activities. Does that capture your motion? Okay, so Mr. Director, thoughts?

Speaker 5: I have thoughts. Um, regarding the firearms transfers because of the records, NRA was required to keep and that's all housed within Washington. Turnaround time well, I won't say is, will be quick, it will be shorter than the second piece of that which I understand to be determining the use of funds. Um, not at the state level but at the national level and to determine whether or not Washington funds are in Washington that are sent back to DC are cross contaminated with the political of arm.

Speaker 5: And there are investigations ongoing I understand and so there is two approaches we can take. One would be a wait and see to see what those investigations determine while we accomplish what we can do here in Washington. Uh, the second piece of that would be to fly back east and do our own investigation but I don't know what that would do to the ongoing investigations, um, that is not a quick turnaround time by any means.

Mr. Sizemore: Okay.

Ed Troyer: Chair Sizemore.

Mr. Sizemore: Yes.

Ed Troyer: On the amendment to commissioner Levy's, I would suggest that instead of tracking the money in totality, just tell just how much money went back to the national foundation that didn't affect the state of Washington received here. Just the number 'cause I know you have those number. And secondly you're required to, um, keep the names of the winners correct?

Speaker 4: Yes sir.

Ed Troyer: So you have those. I would ask our staff to maybe randomly se- select some of those names of the winners not all of them. I don't want to put a burden on the staff but randomly sect- select some and make sure the right backgrounds and the right, uh, things were done to confirm that these people, I mean that protects everybody, both sides. To make sure that these people were okay to obtain weapons.

Mr. Sizemore: So I'm not gonna call it a friendly amendment 'cause it's different. I, I think it changes, um, uh, what was asked. So I think the, uh, cross contamination of the dollars or the potential fore- foundation dollars to end up in, uh, um, C4 activities is what the motion wanted to have, uh, assurance that that was okay.

Ed Troyer: I, I was just like I, I agree with her 100%. I was just trying to take a little bit of the burden off our staff in traveling back east from a full blown multiyear investigation. I think that if we did that we could the way I, uh, presented it we would get to some of our issues quicker without as much of a burden on the staff.

Julia Patterson: Can I ask the, may I ask the maker of the washing-

Mr. Sizemore: S- um.

Julia Patterson: Excuse me.

Mr. Sizemore: Yeah, so, um, did somebody wanna second Ed's amendment 'cause I don't, I don't view it as a friendly amendment, um, it, 'cause I think it changes it. So I think what you're asking certainly is, uh, spot check of, of the, uh, gun transfer, um, aspect and, uh, it sounded to me like your desire was to, uh, have an accounting of the inflows and outflows, uh, of Washington dollars but not, uh, but not to evaluate and have assurance that the dollars are, uh, can't make it over to the, uh, political side.

Ed Troyer: I just because I know when stuff goes back to national foundation it's no itemized by the state that sent it, whether it's going to that particular state. Each state isn't lined item out.

Mr. Sizemore: Sure.

Ed Troyer: At least in the two organizations I'm part of the money goes back to the foundation, the foundation board de- decides where that money goes or from one big pot. I don't even know if that's possible to determine once it's out of our hands. Once it's out of your hands to the foundation I don't think it's possible to determine where Washington dollars went and it'd be easily manipulated into what they think that we want to see.

Mr. Sizemore: Right.

Ed Troyer: Um, because they're, it's, it's one big pot and as well as say that this pot of Washington went to this but it's still just cumulative about the larger issue.

Mr. Sizemore: Okay, um, so Alicia you made that motion. Some thoughts?

Alicia Levy: Um, I agree with Ed, we work the background checks and [inaudible 01:04:14] I'm not entirely sure how we [inaudible 01:04:14] so why don't we-

Mr. Sizemore: I imagine so soon.

Alicia Levy: Table (laughs) have someone recreate a new one (laughs). Um, 'cause I, I think we're interested in knowing how, where this money, how much dollar is spent and what goes to, what was where, but I guess maybe I don't know where it goes.

Julia Patterson: I withdraw my second.



Alicia Levy: Okay. Withdrawal from that.

Julia Patterson: I could take a stand at the beginning.

Alicia Levy: Sure.

Mr. Sizemore: Okay.

Julia Patterson: I need to be recognized.

Mr. Sizemore: All right. So Ed you're okay with Commissioner Patterson taking a shot at this?

Ed Troyer: Sure.

Mr. Sizemore: Okay. No, I mean he had proposed something different so-

Julia Patterson: Alicia Levy I have the impression that what you were hoping to do was to, uh, delay the vote until the invest- there are ongoing investigations at the federal level of this issue. Until those investigations can tell us whether or not this money that was being used for charitable purposes as required by the law, um, was not being used to help finance the NRA's political activities, period. So there are investigations going on, I had the impression your motion was to delay a vote until we got the results from those investigations.

Alicia Levy: Yeah.

Julia Patterson: So I would make a motion along those lines Mr. Chair. I would move that we delay this vote until the federal investigations are complete and that they can clearly indicate to us that charitable monies being raised by the NRA are not being used to help to finance the NRA's political activities.

Mr. Sizemore: And, and if it takes a while it takes a while. Okay.

PART 2 OF 6 ENDS [01:06:04]

Mr. Sizemore: And if it takes a while, it takes a while. Okay? So there's ... it's been moved and seconded, um ... Julie, do you think we have that captured? Susanne, do you think we have that captured?

Ed Troyer: Chair, Mister Chair, that's ... hang on. That's not in anything close, just [inaudible 01:06:19] of what I said.

Mr. Sizemore: Correct, but it- it has been moved and seconded, so we can have- we'll have the discussion on, yep, on that motion.

Ed Troyer: A federal investigation could take years.

Mr. Sizemore: I think it's a state investigation.

Ed Troyer: Well, she said until the federal investigation's over.

Mr. Sizemore: Oh.

Ed Troyer: That could take years.

Mr. Sizemore: Okay.

Ed Troyer: I would hate to lose all the good programs that are out there, that really create a lot of safety. I understand what we're looking for on the backhand, but I ... waiting for years for a federal investigation to be finished, which, what we've just locked ourselves into if we move with this.

Ed Troyer: What I said, was I would like to see where the dollars went exactly, like commissioner Levy said, and I would also like to see the people wanting the guns, the registrations, and then seeing if the process is being done right, and the right people that are wanting these guns, it's- it- it meets legalities, like the governor's office [inaudible 01:07:12].

Ed Troyer: That's simple. Those two things, and we would wait until our staff was able to do that before we move forward with the investigation.

Mr. Sizemore: Okay. Julie?

Julia Patterson: Chair, I- I- I wouldn't ... I mean I ... what Commis- uh, Commissioner Troyer wants to do makes sense to me, but I just wanna remind everyone that we're not going to be losing these good programs. We just simply aren't gonna raise the limit today. So they'll continue to fund their raffles and provide funding for gun safety and everything else that they do, it's just that today, we won't be raising the limit.

Julia Patterson: And I don't think that we should raise the limit until we have reassurance in the entire country, across the entire country that this money is being used appropriately.

Mr. Sizemore: Okay. Um-

Speaker 4: Mister Chairman.

Mr. Sizemore: Yes?

Speaker 4: May I speak?

Mr. Sizemore: Sure.

Speaker 4: I- I wanted to make a point of clarification if I could, okay? So, we're talking about raffle revenue that we've generated in Washington. And I apologize, I don't have the numbers with me here and I should, but if- if we can show that every ... the dollars that we raised through gaming here in Washington all went to our programs, and then the life auction and silent auction proceeds took care of the national, would that suffice?

Mr. Sizemore: Yeah, I don't believe so, but ... so, yeah, probably no.

Speaker 4: I mean, if we-

Julia Patterson: I don't know how you- oh, sir, I'm sorry.

Mr. Sizemore: Er, well, my- my interpretation of the motion and the issue at hand, uh, are, there are two issues at hand, certainly. One is, um, uh, ensuring that our state regulations are, um, uh, followed in transfer firearms. So, um, I think it's beyond spot checks. I mean, I think it's certainly, we need to make sure, um, that our regulations are being followed, and I think that's part of this motion is that we need to have complete confidence that that, uh, the transfer firearms piece is done appropriately, following all regulations.

Mr. Sizemore: Uh, the second piece is that there is an open question, um, about, uh, the NRA foundation dollars, um, being utilized for, uh, political purposes. I'm not- I'm not saying it's accurate or whatever, I'm saying there's an open question. So I ... what I'm hearing is the commissioners, uh, do not want to raise the limit on raffles until they have those, uh, those assurances. So, uh, Senator Conway.

Conway: I'm- I'm just sad, personally. I'd like to get some information on what's going on in New York, you know, we have people talking about it all the time, but I have- I haven't seen any, any information about it at all there. And, uh, let's- let's get some, some information before us and ... certainly the legislature's interest would be interested in this as well. Uh, I think you're talking about the need to separate charitable activity from political activity, and that's, uh, a case that ... I've been around many organizations, all of us have, and know that that's a critical issue for separating those activities from each other.

Conway: And there is a charge here that they haven't done that, and it's in New York. I'm not saying it's been- not been done here at all. No one's making that charge. But let's get more information on this, and that in alone is enough to raise concerns for not taking action today, all right? Until- until you- you can give us information as well, because you're involved with the- the raising of this money and transferring it to the national organization. You should be able to report back to us as to whether your intent is being followed as well, because your intent is education and taking care of youth, et cetera, and we've had this discussion legislature as well, but we wanna make sure that the dollars are being separated by your national organization. If your national organization isn't doing it, then that's of concern to us, okay?

Julia Patterson: Mister Chair, I have a motion on the table and I'd like to, um, withdraw it. Because I think that Senator Conway raises a good point. I- I would just simply like to say that, um, I move that we delay this vote until we receive additional information. I mean, I- I don't want to say specifically, uh, what information we need because we might leave something out. But we need additional information about the extent to which these charitable funds might be being used for political activities.

Julia Patterson: We need to- information about the extent to which funds in Washington are being used appropriately. We didn't- we need to know if our state laws are being followed appropriately. We need information on a lot of different things, so would it- would it make sense simply to delay the vote until we can receive this additional information that satisfies us so that we can move forward?

Julia Patterson: And if you don't agree with me, then you can re-introduce my amendment as previously stated.

Mr. Sizemore: Well, I- I believe that we have a responsibility to ensure ... we- you know, to ask, um, the proponents for the additional information-

Julia Patterson: Yes.

Mr. Sizemore: And specify what that additional information is, which I took your motion as identifying those to things. The, the assurance that transfers occur in, uh, following all state regulations and that we have assurances that there's not a intermingling of the foundation dollars, okay?

Mr. Sizemore: And then I think the other ... so, I mean, so that's motion I- Kristen, withdraw a second, so I guess it's still on the table right now, but I think, so I think both those things, if I am understanding you correctly, are still things that you believe need to have- we need to have prior to considering raising the raffle limit for the NRA foundation.

Julia Patterson: Yes, and so ...

Mr. Sizemore: And the only other thing-

Julia Patterson: There's no need to withdraw the motion if we all understand that what you just articulated is included in that motion.

Mr. Sizemore: Yeah, and I think that's where we're at.

Julia Patterson: Okay.

Mr. Sizemore: And I'll get to you in just a second, Commissioner Levy, because the only-

Julia Patterson: Well, I'll withdraw my withdrawal proposal.

Julia Patterson: (laughter)

Mr. Sizemore: So noted.

Mr. Sizemore: Um, so the other ... the third issue, I guess, that I've heard discussion on but hasn't quite made it into a motion is, and I think it's, uh, Commissioner Troyer's had, uh, taken a couple stabs at it. We're not quite there yet, but, uh, a accounting of the inflows and outflows of Washington dollars to the national foundation. So, I- I would, uh, so if that is, uh, another point of information that the commission would like to have for, um, consideration of this, that we would add that to, we amend your motion to add the inflows and outflows of Washington dollars, so.

Julia Patterson: That is the intent of my motion, Mister Chair.

Mr. Sizemore: Okay.

Ed Troyer: Might take a stab at it.

Mr. Sizemore: Well, Commissioner Lee- Commissioner Levy hadn't ... are you waving off-

Julia Patterson: No, I'm good.

Mr. Sizemore: Okay.

Mr. Sizemore: Yes, Commissioner Troyer.

Ed Troyer: Try and make a motion?

Mr. Sizemore: Well, there is a motion now. You can amend-

Ed Troyer: [crosstalk 01:15:14]

Julia Patterson: [crosstalk 01:15:14]

Mr. Sizemore: No. Nope. It's on the floor. So you can amend if you wish to add Washington state inflows and outflows.

Ed Troyer: Yes.

Mr. Sizemore: Okay, so-

Ed Troyer: Because I'll read this and we can take out of it what I want. I would've, if it was available, I would've made a motion that Washington state regul- make sure

that Washington state regulations are being followed, and the transfer firearms from NRA raffles and fundraising activities, and determine the amount of money that goes from the national foundation to Washington state fundraising.

Julia Patterson: Mr. Chair, I consider that to be a friendly amendment, if you'd like to move that as a friendly amendment.

Mr. Sizemore: So-

Julia Patterson: To the amendment.

Ed Troyer: I wouldn't say they're friendly, but sure.

Mr. Sizemore: (laughter)

Julia Patterson: A friendly amendment to the amendment.

Ed Troyer: Okay.

Julia Patterson: Yes.

Mr. Sizemore: So your intention is to add a requirement, or a, uh, additional information required, uh, as inflows and outflows or just ... you just wanna know how many dollars are, uh, sent to the national foundation from raffles?

Ed Troyer: No, [crosstalk 01:16:23] national foundation because dulling down after that money had sent ... nation- national foundation would be virtually impossible.

Julia Patterson: Hm.

Ed Troyer: Can't be done. All the money probably comes from every state in the one pool and then it goes back out depending on how the board says it. So it could be manipulated to however you want it. I would like to know the amount of dollars that go to national and then that way- that way, when- when Commissioner Patterson is looking into what the national people are doing with their money, we know how much of it is coming from Washington state.

Speaker 7: Why don't we let them tell us if it can be done or not?

Julia Patterson: I consider- Mister Chair, I consider that to be a friendly amendment and we're delaying the vote until this information comes forward and we can listen to that information at that point in the future and make a decision then, as to whether or not we wanna move forward.

Mr. Sizemore: Okay. Um, Chris, you seconded the initial motion so are you comfortable with adding that piece?

Conway: I'm- I'm comfortable with ... yes, correct.

Mr. Sizemore: Okay.

Mr. Sizemore: All right, so any further discussion on the amended motion? So, I wanna check with Suzanne, so that we've got a motion. It's been amended.

Speaker 7: Discussion.

Mr. Sizemore: We've had discussions so now we can vote.

Mr. Sizemore: So, uh, on the motion to delay, uh, action to increase the raffle limit for the NRA foundation, uh, until we are able to accomplish the, uh, um, firearm transfer piece, the, um, the, um, money moving between, or confirmation that money is not moving between the foundation and the political arm, and Wa- the dollars that are raised in Washington. Um, so that is the motion on the floor, uh, all those in favor of delaying action on this, uh, please say "Aye".

Ed Troyer: Aye.

Julia Patterson: Aye.

Speaker 4: Aye.

Conway: Aye.

Speaker 7: Aye.

Mr. Sizemore: Aye.

Mr. Sizemore: Any opposed? Okay, motion carries, so, um, I know that staff is going to distill all that and reach out to you guys and begin the work on gathering the- getting that information. So, thank you.

Ed Troyer: Thank you.

Mr. Sizemore: Director Treo.

Dir. Trujillo: Uh, before we let the, uh, the NRA folks go, I just wanted to double-check and make sure that on the review of the transfers, we are looking at not from when they were- began operating in the state of Washington in 1990, but for the last year. Last license year.

Mr. Sizemore: Yeah, I think the last year or so, would, uh, would be adequate.

Dir. Trujillo: And if I understood correctly-



Mr. Sizemore: Right.

Dir. Trujillo: You were talking about 100 percent versus a sample.

Mr. Sizemore: Yep. Yeah.

Dir. Trujillo: Okay. Got it. Thank you.

Mr. Sizemore: Okay.

Julia Patterson: Maybe, Mister Chair, I'd just like to say maybe the last couple of years, maybe two years.

Ed Troyer: How many people are there?

Speaker 4: I don't know that, sir.

Ed Troyer: How many guns do you give away, or ...

Speaker 8: The years have varied. Depends, um.

Ed Troyer: Ballpark.

Speaker 4: Say a hundred.

Mr. Sizemore: Okay.

Ed Troyer: We don't want the staff to do 250-300 of those.

Mr. Sizemore: Well, that- the last- I mean, certainly, it's skipped the last year and then, we'll go from there.

Speaker 7: It's details.

Mr. Sizemore: Yeah. So, all right, so we will now move onto tab four. Thank you, gentlemen.

Speaker 4: Thank you.

Mr. Sizemore: Uh, we'll move on to tab four, uh, which is, uh, a request to exceed 40,000 dollars for a A Prize and a 300,000 dollar raffle prize, um, with, uh, Bill McGregor, special agent supervisor from the regulatory unit, uh, making the presentation, um, for Perry Technical Foundation.

Bill McGregor: Welcome, thank you. Uh, my name is Bill McGregor, special agent supervisor for the regulation unit out of Spokane. Uh, I'm here today to, uh, present the, uh,

question to you on Perry Technical Foundation, which is a licensee. Uh, just received a raffle license from us, uh, they would like to do a house raffle.

Bill McGregor: Uh, I will let them go into those details, uh, they have submitted that and are asking approval to exceed 40,000 dollars for a single prize. They're also asking for approval to exceed the 300,000 dollar annual prize. Uh, they estimate the cost to house will be 300,000 dollars, but just in case it exceeds, they'd like to go ahead and get that approval.

Bill McGregor: Uh, it would just be that one prize. Um. And so with me today is members of the Perry Technical Foundation, and they will take into address the- the raffle prize. All of our conditions and requirements have been met and are submitted in the raffle plan that- that is before you. So, yeah.

Mr. Sizemore: Thank you.

Mr. Sizemore: And if you can identify yourself, uh, for the record when you speak.

Kristine Cody: Chair Sizemore and members of the commission, my name is Kristine Cody. I'm president of the Perry Technical Institute, and I wanna thank you for your consideration of allowing us to raffle a home. I'm going to introduce our- director of our foundation, Tressa Shockley, who will be talking specifics about the raffle, and then Darren Peters, who's overseeing the building of the home, who's our department head for our construction program.

Kristine Cody: I wanna give you a little background on Perry. We've been around for 80 years. We are, uh, training individuals to go to work and make family-supportable wages. The money that we, um, receive from the raffle will go towards scholarships. It's, um, not, um, it's not an expensive school, but it does cost money and there's some unmet need that we're trying to, um, to help with. We have approximately 800 students, and we have 13 training programs. We're placing 94 percent of them in employment in, uh, a field in which they were trained for at Perry. We also are retaining about 88 percent of our students.

Kristine Cody: Perry Tech has been named a school of excellence by our accreditors, and that is basically that for the last ten years, our accreditors have walked away with finding no issues of non-compliance. And I bring this up because we have great respect for- for this process, and if you do approve this, I will guarantee that we will follow, um, the compliance to a T. Thank you so much, uh, Tressa Shockley.

Tressa Shockley: Hi, good morning. Thank you for having us here.

Tressa Shockley: Um, I have been responsible for working on the initial plan, and the details pertaining to how the raffle's gonna be executed. I'm happy to answer any questions you might have. I do wanna say in regards to everything that Kristine just mentioned, we are a top-notch school, and everything we do is definitely by the book, and, um, at a very high level of excellence, and so we are really

looking forward to this opportunity if you do decide to approve this project, because it could really mean so much to a lot of our students.

Tressa Shockley: About 80 percent of our students currently have to have some form of financial aid and scholarships, and we work diligently to collect funds for them and help them in any way we can possible to help fund their education.

Mr. Sizemore: Okay. Sir?

Darren Peters: Yes, I'm Darren Peters and I run the construction program, and how this, um, idea came about is, um, construction is hands-on, um, trade. And we looked at a couple different schools, um, around the northwest that do this. One in particular that's in Coeur d'Alene, Idaho, and they do this every year. They've been doing it for 25 plus or minus years. It's a very successful way for them to raise money for their school and the students, um.

Darren Peters: So, that's where we got the idea, and not only does my program benefit from it. Like Kristine said, we have, um, 13 other programs. Of those other programs, we have electrical, so the electrical students get exposed to real-life, uh, hands-on, in the field work. We have a plumbing program, um, that does their- their aspect of it as well, and an H-Vac program, they- they do the heating and air conditioning in it as well.

Darren Peters: Um, so we're exposing these students to real life, um, situations. It's gonna be- it's gonna be there for- forever, basically. Um, and the gratification that the students have from doing this is- is- it's irreplaceable. You can't- you can't duplicate something of that nature in a building or in a mock situation, um, so we- that's where we got it from and we hope that we're able to, um, with your approval, um, take it and proceed and do this every year.

Mr. Sizemore: Okay.

Mr. Sizemore: Uh, any-

Mr. Sizemore: Yes?

Speaker 7: Where is the campus of Perry Technical Institute located?

Kristine Cody: We're in Yakima, and we've been in the- in the same area, same campus for 80 years.

Speaker 7: Thank you.

Kristine Cody: I- I- I-

Mr. Sizemore: Okay.

Kristine Cody: I would like to mention as well, though, we didn't want to just jump into a raffle. We spent the last year building a home with this same programs, so we could get all the bugs worked out, and we really feel confident that when we move forward, if we move forward, that- that we'll have a success. A successful program.

Mr. Sizemore: Okay, Commissioner Stearns.

Comm'r Stearns: Yeah, uh, I've just a couple of quick ones. Um, what's the percentage of Native Americans there?

Tressa Shockley: Pardon me?

Comm'r Stearns: Percentage of Native Americans at your college?

Tressa Shockley: We're at about a three percent with Native Americans.

Comm'r Stearns: Okay, um, and so then the raffle, that goes into an endowment ... is that what? Okay. And so the endowment would be used to pay ... when you said scholarships, I've got a daughter who's a junior at UW, and, uh, you know, there's a difference between some of the money that you have to pay back and some of the money that's a grant. So, the money that you intend to award students out of the endowment, do those monies have to be paid back?

Kristine Cody: No.

Comm'r Stearns: Okay.

Kristine Cody: Great question.

Tressa Shockley: And if I might add, let ... this last year, we've gifted more than 400,000 dollars in scholarships to our students, so we are not holding things back.

Mr. Sizemore: Okay, um, any further questions? Commissioner Troyer?

Ed Troyer: I don't ... I'm looking through your numbers and everything, um, 'cause I've ... I'm a big advocate of Special Olympics, but not a big advocate of the house giveaway thing. But I think that you guys have kind of headed to where you might actually give a house away. If you do, we'd love to hear about it.

Ed Troyer: Thank you.

Mr. Sizemore: Okay. Senator Conway.

Conway: Have you- have you done raffles to raise money in the past?

Kristine Cody: Not at this scale. We've done very small raffles with our student body, but it's been-

Conway: Oh, everything's been small, so you're kind of seeing this as an effort to ... all right, I'm a- I'm a state legislature here, so I'm ex-official. I don't vote here, but I'm, uh, you know, I'm getting ... I've raised the issue with the commission here before about raffles and how we need to kind of start reminding ourselves of where we're going with raffles these days and I hope that we ... at your request ... we just had another request, we see, and I see a potential request on the- on the line here, too.

Conway: And I think, it's- it's, uh ... certainly when we did this, it exceeded this limit for another organization. Other organizations are stepping forward, asking for the same opportunity to raise money, and I understand why, but I do think we need to probably think this through a little bit as a policy as well, so.

Conway: 'Cause, uh, the state legislature kind of set the limit on raffles and now, now we're starting to exceed, and so we need to probably think this through a little bit. Uh, I appreciate Perry. Known you, the organization for years, and I, I appreciate your desire to raise money for students. I don't think any of us question that but we are needing, I think, a more formal review of this raffle policy in the state so that we can help you people raise money as well as meet what the legislature thinks is a limit on raffles.

Mr. Sizemore: Okay, um, so if there's no other questions ... I have a couple of questions, um, so you've, uh, talked about, um, distributing 400,000 dollars last year for scholarships and where did those dollars come from?

Tressa Shockley: Those are from the donor funds.

Mr. Sizemore: So, just donations or whatever. So this is your first foray into, uh, gambling activities and to raise money in any substantial form.

Mr. Sizemore: Um, so, I have ... this one's a little hard for me. So, um, there have been some bad actors in the private college environment, across the country. Um, some- some predatory practices related to student loans, and, um, you know, maybe, uh, a little bait and switch sort of thing, and I'm not saying that that's going on at Perry but it certainly gives me pause and to want to consider, um, the- the- you know, value of doing this.

Mr. Sizemore: So, and it certainly seems like the students benefit from having these funds available. What I'm really struggling with, and maybe you can shed some light, is that this- these- this revenue, these funds are generated by a foundation and the proceeds go to students, but the only the students can use the dollars is at the for-profit institution, uh-

Mr. Sizemore: Not for profit?

Tressa Shockley: We are a not for profit.

Mr. Sizemore: Okay, so that changes things for me then. Okay, well, and that's I guess the clarification that I needed, then.

Kristine Cody: And I agree there have been some really bad actors in the career college sector, but I can assure that Perry is not one of them.

Mr. Sizemore: Okay.

Kristine Cody: We are, um, have a great reputation and we are very student centered. We do everything that we can to make sure our students succeed.

Mr. Sizemore: Okay.

Mr. Sizemore: Excellent. Um, and maybe you'll know this one. It's kind of just an aside. Do you know how many, uh, of your student losses are because they are able to enter an apprenticeship program? Is that some- and I don't know if you do exit interviews or whatever when kids leave the program before completion.

Kristine Cody: You know, that's a great- a great question. We, um, we are not, at this current time, a pre-apprenticeship program, but we are applying for that right now.

Mr. Sizemore: Okay.

Kristine Cody: And our success, I mean, when you have 94 percent of your students going to work in the field in which they were trained for, um, it would be hard to find anyone that could compare with that.

Mr. Sizemore: Yeah. Yeah.

Kristine Cody: And also, again, 88 percent that we're retaining-

Mr. Sizemore: Right.

Kristine Cody: In the [crosstalk 01:33:36].

Mr. Sizemore: Right, and that's what I was just kind of curious of those that you don't retain-

Kristine Cody: So I don't-

Mr. Sizemore: Whether, uh, we have a semblance of understanding.

Kristine Cody: Some of our students ... our typical student that doesn't succeed is because of academics or they can't follow our ... we treat every day in the classroom like it's world of work-

Mr. Sizemore: Work, yeah.

Kristine Cody: If they- if they don't show up on time-

Mr. Sizemore: Right.

Kristine Cody: That doesn't work out so well for us.

Mr. Sizemore: Okay. So, any further questions for the panel?

Speaker 7: Wanted to say real quick, and to your statement, sort of. Growing up in the Yakima valley, I will say that Perry Tech has the best reputation. Everybody loved them. I knew several people, students who went through there. It's been several years since I went around, but I don't see any issue personally of having known the school and that system, um, you know that they've ever done anything.

Speaker 7: I know what you're saying about some of the college, um, that's happened in Spokane, where I live now.

Mr. Sizemore: Mm-hmm (affirmative).

Speaker 7: But I don't see any problems with Perry Tech at all. I never have or heard of anything.

Mr. Sizemore: Thanks a lot, I think you've convinced me. If there is a motion.

Speaker 7: I would move to approve Perry Technical Foundation's offer to offer a raffle prize in excess of 40,000 and to exceed the annual raffle prize limit of 300,000 for their license year ending June 30th, 2021.

Ed Troyer: I second.

Mr. Sizemore: So it's been moved and seconded. Um, to approve, uh, this request ... so June. So their raffle year is June or July 1st of 2020 ... is that when it begins?

Bill McGregor: Uh, if- if I may, Chair.

Mr. Sizemore: Yes.

Bill McGregor: Uh, so the reason the request is for June 30th of 2021. The raffle license does expire on June 30th of 2020, but the drawing for this house will not take place

until September of 2020, so it will be in their next licensed year that the actual prize will be awarded.

Mr. Sizemore: Okay.

Bill McGregor: So that the- the- the raffle will start, uh ...

Tressa Shockley: September 7th.

Bill McGregor: September 7th of this year, and the drawing will be September 2nd of next year, so.

Mr. Sizemore: Okay, okay.

Bill McGregor: So, it will be- within a year, it will be ... it will cross licensed years and that's the reason for the request for 2020.

Mr. Sizemore: Okay. Okay. And staff doesn't have a problem with it crossing over license years?

Bill McGregor: No.

Mr. Sizemore: All right, so it's been moved and seconded. Any further discussion on this?

Mr. Sizemore: Seeing none, all those in favor of approving Perry Technical College foundation to offer a raffle prize in excess of 40,000 to exceed the annual raffle prize limit of 300,000 for their license year ending in June 30th of 2021 say "Aye".

Comm'r Stearns: Aye.

Ed Troyer: Aye.

Julia Patterson: Aye.

Speaker 4: Aye.

Speaker 7: Aye.

Mr. Sizemore: Aye.

Mr. Sizemore: Motion carried ... passes unanimously. Thank you, good luck.

Kristine Cody: Thank you very much.

Darren Peters: Thank you.



Mr. Sizemore: All righty. Uh, moving right along, uh, tab five is, uh, a rule up for discussion and possibly filing, uh, from Rocky Mountain Elk Foundation, is petition for a rule change, and will be presented by Ashley Leighton, our rules coordinator.

Ashley Leighton: Chair Size-

Mr. Sizemore: Welcome.

Ashley Leighton: Morning Commissioners, I'm Ashley Leighton for the record, um, at this time, Rocky Mountain Elk Foundation has withdrawn their petition to amend WAC2311067, and that may choose to submit at a later date, but at this time, they are withdrawn.

Mr. Sizemore: Okay.

Mr. Sizemore: Do we need to do anything on that?

Speaker 7: [inaudible 01:37:15]

Ashley Leighton: Thank you.

Mr. Sizemore: Thanks.

Speaker 7: That and be done.

Mr. Sizemore: Uh, so, that petition has been withdrawn, so we can now move to tab six, which is a default, uh, and the presentation will be by Brian [inaudible 01:37:32] our legal and legislative manager.

Mr. Sizemore: Welcome, Brian.

Brian: Morning, Mister Chair, members of the commission.

Brian: (coughing)

Brian: Excuse me. Brian [inaudible 01:37:49], legal and legislative manager for the gambling commission. Adam Teal is on vacation, so hopefully, he will pick these back up next month.

Brian: Um, there's one default on tab six. It's Jocelyn Baker, case number 20619-00571. Miss Baker has a gambling certification authorizing class three employee activity at Lucky You Casino, um, and her certification expired on July 9th, but we initiated this action well before that expiration date.

Brian: Uh, the [inaudible 01:38:18] Travel Gaming Agency launched an investigation, uh, as in in your pock- packet, related to, um, improper use of their player

tracker system and use of point, uh, and using their investigation. They believe she stole approximately 6,700 dollars worth of, uh, player offers, and so they initiated revocation of her ... they terminated her employment, and then, uh, initiated revocation of her travel gaming license. Uh, based on the information then that was sent to us, Director Trujillo issued Miss Baker a notice of a mystery of charges on May 24th, by regular and certified mail. The regular mail would've been served on May 27th, and we- we also know that she was, uh, received her certified mail-

PART 3 OF 6 ENDS [01:39:04]

Brian: I think we uh we also know that she was received through certified mail on May 31st, but no response was received, and no communication from Ms. Baker has been received by Commission staff.

Brian: So, Ms. Baker's failure to respond to the charges or time to request a hearing is waiver of her rights to a hearing, and you may take final action against her gambling certification based off of her conduct and her revocation of the travel gaming license and the information sent by the Travel Gaming Agency.

Brian: Staff does not believe that she can show by clear and convincing evidence that she is qualified to keep her gambling certification, and we recommend that you sign the final order that has been prepared for you.

Brian: Happy to answer if any questions.

Mr. Sizemore: Any questions for Brian?

Unknown: (coughs) (clears throat)

Mr. Sizemore: Commissioner Stearns.

Comm'r Stearns: So, um, did you have a sense of how long she was doing this for the 23 player count she manipulated?

Brian: Uh, I do not have a sense for how long she was doing it, no.

Comm'r Stearns: Um, and then secondly, maybe this is more for the staff.

Comm'r Stearns: Oh, sorry Dave.

Dir. Trujillo: Oh, I was just going to say, if, with Trent's permission, is, it was caught relatively quickly. I spoke with the CEO of the casino in this case specifically.

Comm'r Stearns: Um, so, secondly, (stutters) may this sorta follows I guess that, which is, th-there there appears to be, for lack of a better word, a security flaw in the system, and

so, other than just catching her, are there steps that the operator, the manufacturer, could take to prevent people from...

Comm'r Stearns: Seems relatively easy to do that.

Brian: Well, there may be steps, I-

Dir. Trujillo: Yeah.

Brian: I think it's a good reminder, one, that's a little bit outside the scope. And two, we do not regulate player tracking systems, because they are not part of the travel gaming terminal and system.

Brian: So, it's usually not something that, well we have knowledge of it and our staff usually knows a little bit about of it, it's really something that's more on the operator side of it.

Unknown: Right.

Brian: And so, as they kinda looked at it, however they figured out and, and I, these have been coming up, so, I think there's some questions, and if there's uh if the commissioners because these sorts of things are coming up with like a briefing at another time about kinda player tracking and kind of what the systems are related to that, I'm sure we can provide that.

Brian: That's just not really before us in this case.

Comm'r Stearns: It says right here that's interactive with the machine.

Brian: Right.

Comm'r Stearns: I mean, she downloads those, she downloaded it. So, I mean, if you can download something onto a TLS from the outside, I guess that's what I'm concerned about.

Brian: Right, uh, we specifically test for that. So, this woulda been something that she was able to use through their player tracking system.

Brian: We know that you can set up, what I'll just call dummy accounts. You can take money from player accounts, and fact, you had a case the last month or the month before, the person was basically just used somebody, some player and the player wasn't around, and was able to get into the system.

Brian: So, there may be a security flaw, and flaw used very loosely, that relates to that. There may be access. Those aren't things that we necessarily test for, because it doesn't it doesn't actually go into the travel gaming system.

Brian: Because that's where we come in and we test, and if it were going into the travel gaming system then we'd have a much more active involvement into that.

Comm'r Stearns: Thank you.

Brian: Your welcome.

Mr. Sizemore: Any further questions of staff?

Mr. Sizemore: Okay, I see none. Uh, is Jocelyn Baker present today?

Mr. Sizemore: Seeing that she is not,

Unknown: (coughing)

Mr. Sizemore: Is there a motion?

Ms. Matterson: I move to revoke the private recertifications of Jocelyn Baker.

Unknown: Second.

Mr. Sizemore: Okay, it's been moved and seconded to revoke the class recertification for Jocelyn Baker. Is there any discussion?

Mr. Sizemore: Seeing none, all those in favor say aye.

2+ Speakers: Aye.

2+ Speakers: Aye.

Mr. Sizemore: Aye.

Mr. Sizemore: Any opposed? Motion is carried unanimous.

Mr. Sizemore: Thank you Brian.

Brian: Welcome.

Mr. Sizemore: Uh, director do you have a little information on this topic?

Dir. Trujillo: I I do, so, now that uh that uh this uh item has been addressed and voted on by the Commission, I can speak a little bit toward what you're you're talking about.

Dir. Trujillo: Uh, Commissioner Stearns is, generally speaking, player rewards are promotions. Promotions are not governed under Class 3 compact, so to speak. Unless it's a gambling promotion. And so, Gambling Commission staff are pretty

cognizant about staying within our lane, so that we don't tread into a tribal issue for a promotion. Versus a gambling activity that is contemplated under a Class 3.

Dir. Trujillo: That is beginning to change, however, as these rewards and promotion points are beginning to take a form other than dinners. They can have a cash value, they can also be, at some point, be uh in some cases somehow played back into into the system itself, and so at that point, the technology is changing in such that uh, Brian talked about a staff briefing, that's something that we're going to have to do in the future, because it is changing from strictly a non-gambling activity promotion to other things.

Dir. Trujillo: And it's those other things that uh we have to be really aware of, and it's happening more and more frequently. You've seen the uh the defaults that have come before you.

Dir. Trujillo: This one was caught very quickly, others have not been caught so quickly and the dollar amount escalates very quickly and very high. And so, we've got a pretty big agenda as time goes by, but I think that uh coming back to share some additional information about this topic is very warranted.

Mr. Sizemore: Okay. All right, so, do have anything else to add on this Brian?

Mr. Sizemore: Thank you, so, at this time, we have reached a good time to take a lunch break. Uh, and the Commision will have a working lunch. We'll be in executive session for approximately two hours.

Mr. Sizemore: So, on my phone it looks like we will move into executive session for the purpose of discussing pending criminal investigations, travel negotiations, and litigation, and we will return at 1:15.

Mr. Sizemore: So, with that we will go to executive session, and have a great lunch. (gavel thump)

Mr. Sizemore: (crowd noise)

Mr. Sizemore: (gavel thump)

Mr. Sizemore: All right, we will call the August meeting back into order, and I will note for the record that your executive session ended at 12:55, and uh we took a well-deserved and needed break.

Mr. Sizemore: So, we are now back in session, uh we will continue with our agenda. Tab number seven is 2020 Agency requests legislation discussion. Uh, it will be presented by Brian Considine, our Legal and Legislative Manager.

Brian: Thank you Mr. Chair, Brian Considine Legal and Legislative Manager for the record.

Brian: Tab seven before you um is, hopefully, an accurate synopsis of what I recalled and went through the record um our conversation from last meeting that we missed Commissioner Patterson at, but, hopefully was, gave at least a good enough synopsis as to the topics that were discussed, and then, and so I'm not planning on going back over that unless there's any additional questions.

Brian: Before I get to the two things on the tab, I do want to mention, because there was some requests from Commissioners to kinda do some followup related to the trade show and to the pole tab.

Brian: So, I can say that we have sent, and I personally wrote, the messages that went out to licensees uh related to the trade show side of it and related to the pole tab side of it, and then, indicated that they're welcome if they have any questions that staff and myself are available, and we are happy to provide any sort of input that is needed, but that the Commissioners were supportive of those ideas if those in the industry wanted to organize and bring them forward.

Brian: So, I wanted to make sure that we reported back to you that that was something that was done in the last couple of weeks. And so, the three that we had related to general fund money for law enforcement activities, the amendment to 9460209 non-charitable, non-profit definition, and an amendment to RCW9883030, which is the money laundering forfeiture statute statute.

Brian: My understanding, and Mr. Chair can clarify if he needs to, is that we are not going to move forward with Agency requests legislation on the general funds side (clears throat) that staff will continue to look at, excuse me (coughs)

Brian: Staff will continue to look at it. I know our CFO, Chris Stanley, continues to kind of look at that and monitor it and come up with ways in which um we're to talk about that and have uh an aggressive messaging campaign over the next session with legislators talking about kind of where our fiscal path is and what it looks like and what might help us kind of move forward. But we're not actually going to actually move forward with Agency request legislation on that part, um, this uh this session.

Mr. Sizemore: Yeah, and that's my recollection, so, um, so yeah, so I think um 60-day session, um you know I think it would be foolish to try to do too much, so I think if these two things kind of have a little bit of momentum already, so, I like it.

Brian: Okay.

Mr. Sizemore: Is there any uh any other thoughts on-

Ms. Matterson: I have. I have a question. I've been, I wasn't here last month.

Mr. Sizemore: Mm-hmm (affirmative).

Ms. Matterson: So, could you just help me remember, what's going on with our legislation, our request for funding for law enforcement?

Ms. Matterson: I mean, what's getting in the way?

Brian: I don't know if there's anything getting in the way, I think when we discussed about it, other than the usual budget process, which of course I know-

Ms. Matterson: Right.

Brian: Ms. Matterson, you're aware of that.

Ms. Matterson: Do we have a champion or two? Or?

Brian: I think we do, I know Senator Conway has been a great champion of ours. I think some of it is we've spent a lot time on the problem gambling side of it, so we've done a lot of asking related to that.

Brian: And while we've laid very small tracks related to our funding, I don't think we've spent the same amount of time in the last year talking with the heads of senate ways and means and the [apropes 01:50:22] and others about a potential need or desire for a little bit of general fund money.

Brian: So, it seemed like it was smart to really focus, and really my focus will be over the next few months is to start talking with some legislators on the fiscal side of it about these sort of options.

Brian: Plus, we have a new Chief Financial Officer, Chris Stanley, and he is pretty amazing and has a lot of experience in this, especially coming over from the OFM budget side, and so I think he's also trying to kind of figure out what might work best for the agency and what he might be looking at might be a little bit differently than what our former CFO was talking about.

Brian: So, you know how it goes, if we don't have a really clear, consistent message on both what we're asking for and what it's going to go for, I mean generally, it's going to be for criminal law enforcement, it's for law enforcement activities, but we want to make sure that we're all on the same page internally, and that we spend a little bit more time talking with our allies.

Ms. Matterson: Honing our message?

Brian: Honing our message and

Ms. Matterson: And we're going to-

Mr. Sizemore: Building champions.

Ms. Matterson: And this is going to be our year for this?

Brian: Yes.

Ms. Matterson: And we'll drill down on this this year?

Brian: Building champions for 2021 when we have a new budget cycle.

Mr. Sizemore: Sound like a good program.

Ms. Matterson: [inaudible 01:51:33]

Mr. Sizemore: All in, all right.

Brian: Yup.

Senator Conway: I will just add that you know last year most the budget writers were looking at a huge hole to fill,

Brian: Yeah.

Senator Conway: And more asks were just not going to fly in that year.

Unknown: (sneeze) Excuse me.

Brian: (coughs) (clears throat)

Unknown: (coughs)

Senator Conway: If the revenue situation is stronger than it might be a time to ask. Just leave it at that.

Brian: Okay, you know if a champion shows up this session and wants to do something on their own to help us out, of course we'd probably encourage that or support that, but just doesn't feel the right time to go through the governor's office request for Agency request legislation.

Senator Conway: If it comes through the governor's office too

Unknown: (coughs)

Senator Conway: as a request bill, it might have a tab bit more push behind it as well. So, r- m-



Ms. Matterson: Is there a possibility we could get ready in time to ask the Gov to do that?

Brian: Well, that was the calculation for this year.

Mr. Sizemore: [crosstalk 01:52:30] Yeah.

Brian: And we do not feel that this was is in our best interest, especially with these two other items that we feel pretty good on.

Mr. Sizemore: Yeah, I think everything else would end up falling to the wayside if we, and be a tough, tough ask anyway, so.

Brian: And, really the ask we're going for is the next biennium, and so, that lines up well with that.

Mr. Sizemore: Yeah.

Mr. Sizemore: So-

Ms. Matterson: Thank you.

Brian: Your welcome.

Mr. Sizemore: Okay.

Brian: And so, uh, what's going to go through the two proposals in the packet.

Mr. Sizemore: Okay, yeah.

Brian: Just to identify kind of what those changes are; unless there's any questions about recap from last meeting.

Mr. Sizemore: Okay.

Brian: Okay. So, that-

Mr. Sizemore: So, that that'll be 60209?

Brian: Yup, that's the first one. So, there's really three amendments.

Unknown: (coughing)

Brian: The very first one you'll see in red is adding Chapter 1909 to the list of chapters. So, 1909, this was conversation out of with the Secretary of State's office when we have been talking to them about this.

Brian: They have RCW1909, which is the Charitable Solicitations Act. And they said, in theory, you could be on Charitable Solicitations and be registered and may be not necessarily be a non-profit, somehow.

Brian: Um, so, w- as a beginning attempt and the easiest attempt was, okay well, we can just add 1909, in theory, to the list, because that's essentially what that list is.

Brian: Is when you look at that um 1909

Unknown: (coughs)

Brian: 2412 are really churches, 2428, I think is are air cultural affairs, granges, is fraternal organizations, and then 2403 is the Non-profit Corporations Act. So, there's the list of different acts. It seemed to fit well there.

Brian: We're continuing to talk with the Secretary of State's office, because the Secretary of State's office has oversight of who gets registered over those charitable organizations, and they're pretty aggressive on how they look at that, as you would expect that they would be, related to that.

Brian: So, staff's gonna spend time between now and our final or the Commision meeting in September when the final, make sure that that works, and if that's not going to work, then, we might look at some other language to kind of get us where we're at, but hat was their suggestion. So, we're gonna start with that, um.

Brian: And then, the next two are religious and scientific, and I just received it when I was on vacation, but one of the issues that challenges we were having was with Seattle University.

Brian: So, Seattle University's clearly very well thought of university, and they have in their charter clearly religious, because it's a Jesuit university, but they also have scientific, because they have a college of sciences. That, as you can see, that's why we're adding it, 'cause those technically fall off.

Brian: 2412 is Religious Sol, which is really just what we call churches in the kind of the (chuckles) the legal side of it. Seattle University is not a church, and so, it just, some things the intent wasn't for these to be barriers, but as an attorney and a staff, we try to read these things really strictly. And to us, it's always been very clear that little i is an exclusive list. It's not not ex- it is exhaustive.

Brian: It's this and only this. And so, we felt that this was an easy way to kinda clear up some things that we've been running into over the last few years.

Unknown: (coughing)

Brian: And, as we talked about last time, this help us on the resource side, so we don't keep kind of running up into this. So, those are the two changes right now that's being proposed.

Brian: We have sent out notices to stakeholders and licensees. I've, other than the letter support from Seattle U, and I'll make sure that all the responses that we have, are put into the packet for your September Commision meeting.

Brian: Um, we've not received any opposition yet to this, and more just kinda general, I've called non-substantive comments. Either yes we like this or this seems like a good idea, we don't have any objections. Those sorts of things, the only true letter of support was from Seattle University, because of some of the challenges we were running into with them.

Brian: There've been some other non-p- or there're other organizations out there. Olympia Master Builders has been one of 'em, we've reached out to them.

Unknown: (coughs and clears throat)

Brian: And kinda see where they've been at, 'cause they don't, usually trade associations or those sorts of associations who aren't non-profits or maybe not a 501-C3, don't qualify. Uh, and so, just kind of reaching out to them to see what else might be out there for you all to consider. So, those are the changes that that we're proposing at this time.

Brian: And then the next part is subpart two, and this really relates to credit unions. Now, subpart two relates really to combined fund drive, which was created to allow state employees to do charitable works.

Brian: Quite frankly, the thought was your decision related to credit unions doesn't really stop at credit unions, 'cause what their arguments were would be the same argument for the combined fund drives. So, I don't want to make this any messier than we need to.

Brian: So, but I tried to find an easy way to, without rewriting things, to put that in. So, we tried to- can be licensed by the Commision. That makes it clear, we don't have to get through ambiguity.

Unknown: (clears throat)

Brian: It provides any sort of cover should someone down the road want to challenge a decision. That just makes it easier, I think moving forward.

Brian: So, those are really the only changes to this statute. It will provide some clarity, it will definitely provide a lot of benefit to staff and how we're processing these applications and definitely provide us legal clarity.

Mr. Sizemore: Okay.

Brian: Any questions?

Mr. Sizemore: Okay.

Brian: The next one (coughs), excuse me, is a simple amendment to RTW9883030.

Unknown: (coughs)

Brian: You have the whole statute there, but really you have to go down to the very last section, in which we just add our Gambling Act. So, what six does is says disposition of forfeited property. So, essentially property that's already been deemed to be forfeited, the person has now lost their rights.

Unknown: (coughs)

Brian: Through either a hearing or through default, and shall be made in the manner of uh 6950505, which is really the controlled substance statute. So, really, drugs. And what eight through ten and 14 talk about is really the disposition of that and that proceeds have to go to promotion or enhancement of uh um drug-related law enforcement activities.

Brian: That was our challenge, right? So, if we spend our resources, we're going to be doing it, we know money laundering comes through casinos and card rooms and through gambling historically, and it's still doing it. It's still prevalent, that if we're going to do that, and we end up with those proceeds, we would then, we can't direct them to anything that we do, we'd have to send that money somewhere else.

Brian: So, this would allow us to- and what we did is we mirrored. So, eight through ten and 14 essentially mirrors six through eight and ten. They're not identical, because they're not identical statutes, but it mirrors what the intent was and just does it through the Gambling Act.

Brian: Of course, this helps us, but just like under the Gambling Act we are the State Agency that has the jurisdiction, but any general jurisdiction law enforcement agency, so, it would in fact allow for a you know a local sheriff's office, if they did a gambling related thing, that they could move it, or a money laundering thing, that they could move it towards gambling if that was something that they chose to do.

Brian: It's going to be a primary benefit to us.

Unknown: (coughs)

Brian: I've sent out the same sort of notices to all of our stakeholders (phone rings), especially our law enforcement partners. We've not heard back any opposition. We've had conversations on a couple of occasions with the Washington Association of Sheriffs and Police Chiefs, they're neutral. This language was talked over with them before I even put it into your packet, so, this is something that they're good with.

Brian: I know I've heard back from I think WACOPs, their neutral. State Patrol's neutral. I think we could suspect kind of like with our civil [inaudible 02:00:38] most people are going to be neutral, which is really what we're going for.

Mr. Sizemore: Yeah.

Brian: Um, haven't heard back uh there hasn't been any opposition at this time. And we sent it out far and wide, so, it wasn't just to law enforcement groups. We sent it out far and wide to our usual kind of gambling stakeholders and also to anything that would be on that law enforcement side.

Mr. Sizemore: Okay. Any questions on either one of those proposals.

Mr. Sizemore: So, um, I know that our September schedule is super busy, do, is there a reason that you would need to discuss this in September or can we wait 'till October before we see like the next iteration of this?

Mr. Sizemore: Can you just go forth and conquer?

Brian: Um, we can try to go forth and conquer, but you have to do it in September, because these are Agency Request legislation packets that have to go to the governor's office

Mr. Sizemore: Okay.

Brian: And our meeting's on September 12th, and those packets are due September 13th. So, at the September 12th's meeting, we can streamline it. Um, if there're any changes, if this is the language we go with, I think that's pretty easy.

Brian: We'll submit the packet to you for your review and approval, which is what we've done the last, at least, three years that I've been here. You'll take a look at it, we'll set it out, and then I'll submit that to the governor's office.

Brian: If there's any changes, I'll highlight those changes, we'll make sure that we at least put it in the public packet, the comments that we've received.

Unknown: (coughs)

Brian: I won't belabor those points. I'll you know bring up anything that seems relevant, but I would expect that we can be pretty short and streamline, so long as there's not some (stutters) big opposition that pops up.

Mr. Sizemore: Right.

Brian: Um, and I don't expect any changes to be significant. It's gonna be focused on these areas for the most part, it will be fine-tweaking, hopefully, between now and then.

Mr. Sizemore: Okay. Anybody have any problem with that?

Mr. Sizemore: Okay, excellent.

Ms. Matterson: [inaudible 02:02:36] meeting September-

Mr. Sizemore: Mm-hmm (affirmative).

Brian: Yes.

Mr. Sizemore: I'm debating on whether I'm coming or not.

2+ Speakers: (chuckling)

Mr. Sizemore: (laughs) Um, all right so, that does not require any motion. So, we can close the work on tab seven and move to tab eight, which is the sports betting discussion, and a few presentations.

Mr. Sizemore: And I think we're gonna have Commissioner Stearns, Brian Considine, and Tina Griffin that will be um presenting. So, you're out? Sweet.

Mr. Sizemore: All right, um, top for brevity (chuckles). So, we will have Tina do her presentation.

Mr. Sizemore: It's hard to say brevity when we're already in hour five or six, or whatever we're in here.

Tina: I'll go ahead and get started. So, good afternoon Commissioners, ex-officio. So, in June-

Mr. Sizemore: Who are you?

Tina: Oh, Tina Griffin, Washington State Gambling Commission.

Tina: In June, we had five staff attend the 35th Conference of the North American Gaming Regulators Association in Sacramento. And so, it gave staff an

opportunity to network with our counterparts and to learn from them what their experiences have been, what's going on in the industry in other states.

Senator Conway: [inaudible 02:04:29] I'm having a hard time hearing.

Tina: I'll speak louder.

Senator Conway: Okay.

Tina: Is that better?

Senator Conway: I see people in the back who are having trouble hearing.

Tina: Okay. Are we good? So, uh, a number of topics were discussed: electronic pole tabs, anti-money laundering, um, what are some of the top technical innovations that states are seeing, problem gambling and skill machines, some updates in terms of Class 2 NIGC, virtual wallets, um, but then a good majority of the conversations and um presentations centered around sports betting, as you can imagine.

Tina: So, I'm just going to share with you some of the discussions and presentation materials that we took away from that on sports betting. So, as we talked with a number of the regulators, one of the common themes that we heard from them was that sports betting is more difficult to regulate than anything. Any other of, any of the other gambling activities that we have seen before.

Tina: And you can't treat this like any other wagering that is on the casino floor. It's very complex issue. So, just thought I'd share that with you, because it did seem to be something that was stated from a number of people throughout the meeting.

Unknown: (coughing and clearing throat)

Tina: Thank you. So, there's basically three ways that players can place their wagers. Mobile wagering, there's two different forms of mobile wagering. You can either have in-venue wagering, which would be the acceptance of wagers over the internet within authorized locations, such as a gambling facility or a brick-and-mortar, sometimes it's referred to that, or within the boundaries of the state.

Tina: So, for example, Oregon is going to go live with their online um their going to start with online wagering within the boundaries of the state in just a few weeks, uh, I think they're shooting for September 8th.

Tina: And then, there's the kiosk, which is a self-service sort of mode of placing wagers. Um, so, what some of the regulators shared was that players tend to be more comfortable placing wagers on kiosks than they do with the traditional

form of going up to a teller. The information is available to them all right there, and I don't know if it's just that they're less intimidated.

Tina: Mississippi shared that the kiosks are so popular, they don't have mobile gaming, that players will pull their chairs up around the kiosks, and they have to put time limits on how long you can spend at the kiosks. And so, players just stay there all day, huddled around that kiosk, so, um kinda interesting.

Tina: And then, of course, we have the traditional teller-

Tina: Yeah?

Comm'r Stearns: In Mississippi, is there in-game wagering on the kiosks?

Tina: (clicks tongue) I don't know specifically what wagers they have. Um, I can look at that for you if you want me to get back to you on that.

Tina: (silence)

Tina: So, the teller, going up to a person at a point of sale device, um that's the more traditional form of placing wagers, that we've seen historically in you know sports books, especially in Nevada. So, fewer wagers are placed with tellers, but usually larger wagers is what the information was shared with us.

Tina: So-

Senator Conway: [inaudible 02:08:39] Ask a question on horse racing. How are they doing the wagering in horse racing? Did you get into that issue at all?

Tina: We didn't talk about horse racing.

Senator Conway: So, are they mostly teller types, not kiosk types.

Tina: I believe so, currently.

Senator Conway: Yeah.

Brian: I would expect the way that horse racing wagering occurs in this state, is the way it occurs in every state. My understanding, the way in which the horse racing industry has evolved over the last (clears throat) fifteen years, especially with how the federal law has worked. That you're going to have live tellers.

Brian: Even here, you can go right down the road to Hawk's Prairie, and they'll have a kiosk that you can place your wagers, if it's a lighter day on races that might be happening in California or New Jersey or others if there's not not something



happening at Emerald Downs. But also, they also have o-online uh operators that allow for those.

Brian: So, I would expect that whether it's Mississippi or any of those others if they have authorized horse racing that they've also authorized the same sorts of wagering um possibilities as you can find here in Washington. That's pretty standard throughout the betting industry.

Senator Conway: I have a second question here 'cause I've been in a conference recently, and that is that on the mobile units you have to have a registration system, is that correct? You have to be registered to, you have to be registered to place a bet on a mobile unit.

Senator Conway: Is that right?

Brian: Yes, I would say generally, there's a couple different ways in which it happens. There's advanced deposit wagering, which happens in Nevada and some other states where you populate money into an account.

Brian: I don't think every states necessarily going that route, but if you have an online or mobile account, that you will have to have open account. You provide some information, because what the operators usually say, and this I hear this more from operators, and I think the regulators are still trying to figure it out a little bit, is that essentially

Unknown: (coughing)

Brian: It's easier for them to track people in that their digital account is more like a fingerprint. So, it's unique to a specific person. They populate it with their information, and then um then they have to usually figure out a way in which to fund it.

Senator Conway: [inaudible 02:10:58] mobile units. You're going to have to have registration or either that

Unknown: (coughing)

Senator Conway: You get into a lot of issues.

Brian: I think the current states that are offering uh mobile wagering, which would be really

Unknown: (coughing)

Brian: New Jersey, West Virginia, well West Virginia's not there. Really, Nevada, New Jersey, and Pennsylvania are the only three states right now that are doing

really doing mobile, online, sports betting. In each one of them, yes, you would have to create an account if you're going to have an online account.

Senator Conway: (stutters) I just came from a conference where five legislatures from states that have gone into sports betting, they're saying that the only way it can be done is by use of mobile units, and they're all in mobile. Uh, that would be West Virginia, that would be Pennsylvania, um, um they're just talking about sports betting, because of the prevalence of these sites already for sports betting, that you're going to be using mobile units.

PART 4 OF 6 ENDS [02:12:04]

Senator Conway: Horse betting that you're going to be using mobile units in these states if you're going to be successful. That's what I heard.

Brian: And that has been generally the opinion I think of most operators. Whether you talk to them from Nevada, New Jersey, Europe, is that people like to use the phone- their phones, their mobile devices, the internet. And that's where the volume is driven. And so, let's just take New Jersey, for example. I think more than 60% of the wagering that's occurring in New Jersey right now is occurring through either phone or the internet.

Brian: Pennsylvania, I think, they're in month, maybe, two of online and I think they're at 40%. Um Europe it's something like 75%. So, if given their operators people are going to use their phone or internet. That has generally been the case. However, Mississippi- and Tina just gave the- which is probably why the kiosks are the way that they are- they decided that they are only going to do land base. And so in Mississippi, there's uh no off-premise mobile. There's no internet so you can only go there. So that's that's where they are at.

Senator Conway: So in Oregon, who they probably need to be most concerned about, what will they be doing? Are they there? Do have to be in one of their licensed facilities to place a bet or or are you going to be able to use your your iPhone to place a bet?

Brian: Phone. They're actually going to start uh just with a phone app. SP Tech the operator. They're an European operator so phone, internet, mobile. And then, in 2020 and 2021 they will actually look at retail sites[crosstalk 02:13:47]. But they're starting just with the internet.

Senator Conway: So that is obvious of concern to us since that's a neighboring state.

Brian: Right. [crosstalk 02:13:58] Well, I it's something that we're aware of. We're going to be having discussions with them shortly. We're going to go look at their geofencing because clearly um you don't- pursue with the federal law you shouldn't be able to stand on the banks of Columbia in Vancouver, Washington and place a bet. So, we're going to be taking a look at that because they are

looking to be ready by the NFL season. Uh they're not offering cleated sports. They're only going to offer professional sports. So they're looking at the start of NFL season which is September 8th. So they'll be ready to go by September 8th.

Comm'r Stearns: The geofencing is is extremely accurate but it works it definitely works where there's large populations. So, if you were to drive down I-5 you probably could go- pretty- you know within twenty feet of the state line and it would like boot you off if you're on the wrong side. But if you were to drive 2 hours east, might not be as accurate.

Brian: Right. And so we'er going to go talk to them and kind of talk about that and talk with SP Tech and whoever their geofencing provider is which is probably [crosstalk 02:14:55]. So we'll go from there.

Senator Conway: I heard that I-I have. Geofencing is concept that, you know, we hear about. But I haven't- so I'm driving across the Columbia river. All of the sudden I can place a bet when I'm not in the middle of the river, on one side of the river I can't. I'm I'm sorry, I mean, I'm just asking some technical issues here, as much as anything.[crosstalk 02:15:21] And I've heard that uh that some- some of these sites are allowing you to bounce your your your phone call off a tower that makes it seem like you're in the state, or something of that of sort. I mean, that's just beyond my imagination to understand. But its a pretty technical area. I'm concerned about, largely, because Oregon's our neighbor.

Brian: Right. So. [crosstalk 02:15:49] So.

Mr. Chair: [crosstalk 02:15:52][inaudible 02:15:55]

Brian: Well, I take Mr. Chair that's depending on how much scrutiny the sites giving. So, I'll give an example of FanDuel and DraftKings when they came under the radar a few years ago. And then they upped- so geofencing is not a new concept. It's new concept in kind of a physical location but kind of the idea of where is it coming. So, to your question, basically just see it as an invisible virtual wall. Correct. I theory when you see the welcome to Oregon sign and you've driven by it and your going down I5. And you're crossing the Columbia. As soon as you get to the "Welcome to Oregon" sign you should be able to use your Oregon lottery SP Tech in place of that. Hopefully, not while driving but you know that's the way that that works.

Brian: Um, As far as the spoofing, the address, doing those sorts of things- those came up and that was something we were dealing with four or five years ago. When we were having conversations about daily fantasy sports and we know that the sophistication of the technology on both being able to do it on the illegal side but as an operator. So that's why there are certain things in place. New Jersey and Nevada and Pennsylvania and Europe and those sorts of things because I think it's uh sixteen's the age in Europe for a lot of gambling. That you're able to really verify. And that There's certain companies that specifically specialize in

those forms. So it's not something that we're unaware of or not something that hasn't been thought of. And something we'd be prepared to deal with.

Tina: Hey. So, what events players can wager on and the types of events- or the types of wagers that are allowed obviously varies by state. Um types of wagers can include um pre-game or odds based wagers. You're basically um wagering on an event to a - prior to it's occurrence. There there's the end play or propositioned bets where you're betting on an event that will incur while the game is in play. And then there's parlay wagers where you're betting on multiple events to occur with just with one wager. So the events that players can wager on that's what states have done it sounds like as they move forward to set the regulatory frame work for their state's sports betting activity is that they have met with their stakeholders to include the major sporting leagues. Excuse me. The major professional sporting leagues. Their state colleges and universities. To hear what their concerns are and based on what their feedback is then set set the wagering types and events then accordingly.

Tina: So, some examples would be um Mississippi does not allow in play- oh, there we go- Mississippi does not allow in play or propositional wagers on college games. They didn't want a single wager to be place on um one particular player. Uh New Jersey does not allow wagering on state college or university events occurring within the state of New jersey. So, if the state college is having an event outside of the state then players are able to wager on those events.

Tina: Another one is Mississippi does not allow wager on minor or development league events. Um Nevada limits wagers on some college or Olympic events. Oregon, as Brian indicated, will only be accepting wagers on professional sports to begin with. So that's just some examples of how states are determining what wagers to have to accept and on what events. Now Nevada does um take wagers on less conventional events such as east sports, fantasy sports, brackets, and tournaments. As well as virtual sports which are um short 1-3 minute computer-generated si-simulations of sporting events that the events outcome is determined by a random number generator. So, um just a wide variety of events that can be- have wagers placed on them.

Tina: So integrity is a term that's frequently used in sports betting and each state has approached data integrity differently. The concern about- the concern with data and wagering on- in the event. What the concern, specifically, addresses are are the wagers and events going to be- or open for manipulation of the event? Is there going to be a misuse of inside information? Um is there possibility of match-fixing? So that's where the concern about this data integrity stems from. So as states have um gone about again setting their- determining what their regulatory frame work is going to be. What their program is going to look like. They do a risk assessment and um then base those their rules and laws to reflect the risk tolerance. Um as to what data and wagerig their willing not to have that compromise on. So, there's different appraoaches. I think there's some vastly different approaches. Um Mississippi, for example has taken the approach

where the operators will just have a share interest amongst themselves to make sure that the overall system is maintaining integrity. And the operators then are solely responsible for keeping an eye out for suspicious activity and unusual betting.

Tina: Whereas New Jersey has taken a very different approach and they require operators to monitor for unusual betting activity and report that unusual betting activity to a licensed class call Integrity Monitoring Providers. And then those Integrity Monitoring Providers share the information with all the other operators as well as the regulators. And the regulator then, also, has independent remote access to those indep- to the Integrity Monitoring Providers to review reports of unusual betting activity as well suspicious activity. And to see what um has been reported. So, it's really more-much more of a checks and balances system that um New Jersey has. So you can see very different approaches.

Tina: Um. For the most, part um he states have adopted similar regulations to the ESSA, the European Integrity Monitoring Association. In fact, now, the United States has somewhat similar approach with SWIMA, which is the Sports Wager Integrity Monitoring Association. It was established in late 2018. Its non-profit organization. They are licensed as an independent third-party provider um in New Jersey. And again they then provide that third-party monitoring of for unusual events ans unusual betting and suspicious wagering activity.

Tina: Wagers are data that can be used to manipulate an event. Inside information or match-fixing. So looking for a large volume of unusual wagering activity. Looking for high-dollar volumes in terms of player wagers. To see if they might have information that other people don't. So it stems back to- it all goes back the data that's available.[inaudible 02:24:40]

Tina: Well I, so from what I gathered that's where the states are meeting with their colleges and their universities as well as their professional sporting leagues. And in feeling that comfort level and that's, again, where they decide in terms of setting up their state regulatory program. What events and types of wagers are willing to take on. And then they, obviously look to the sporting leagues to see what type of governments they have for preventing such activity.[inaudible 02:25:27]

Brian: Yes.[inaudible 02:25:32] Well it'd be involving more but also um SWIMA that's not their point and I and I had a good conversation with George Rover at the Ice Boston Conference and I'll talk about that in a little bit. And I can talk more about SWIMA. But their their focused more on um really that data collection and and about their organization members. Basically, being an open book with each other about data. Looking at that and then talking with regulators and being a facilitator state-wide right. So somethings happening in Mississippi and somethings happening in Nevada. Maybe, its difficult for those operators to know what's going on but then they have this centralized location. Um as far as

worrying about kind of the athletes- especially lets say the NCAA athletes. Uh right now colleges have really robust compliance departments cause the NCAA has a huge book of regulations.

Brian: And part of what colleges and universities and the NCAA is now doing, if they weren't doing this before this, was kind of beefing up for the compliance and training. And working with regulators. Like Mississippi is working with their local college. I think New jersey is working with locals to try and help provide more information and training to athletes now that it's becoming more out in the open and what that might look like. Betting on sports has always been going on and so it's always had some part of that kind of compliance part. But I think more it'll be what you can and what you can't do. You know if you're you dub and you're flying to Nevada for a tournament, or something like that, what does that look like? And you know soon enough in the next few years probably a lot of states you might be going into where it could happen.

Senator Conway: Chris.

Comm'r Stearns: Um yeah. Just just going back to just [inaudible 02:27:16] um whenever the sports radar um Minneapolis not too long ago. Um so one thing that that seemed important was you know as the laws are written or the contracts negotiated. Um when the information gets reported so.

Comm'r Stearns: So with Radar. Give a good example of how there was a referee made a call that seemed questionable. That that happens. But then they could track how the betting worked and they noticed a huge variation that should've never occurred. That the relationship with that particular [crosstalk 02:27:51] league they were required to provide that information like right away. But there going to be other times when other leagues say you know we don't want to get every single thing because we don't know if it's really going to be a violation. So they ask providers to give them the information later. After it's been analyzed. Um that that does deem like that's an important thing. Um not just the leagues but also the regulators have access to that information. So that's something you know if this moves forward in our state you know we should have access to SWIMA's data. And what you know we can make the determination whether we want it in real time or if we want it you know after it's been scrubbed and analyzed. You know, a week or two later.

Brian: Right. An- And I've had conversations with folks at Sports Radar. I had a great conversation with George Rover um and that's generally I think the approach looking to be taken is while there may be multiple jurisdictions all having their own. When they're looking at that data largely maybe it's some something interesting happening in one state because of the because of who's betting. But if they're seeing it further um beyond just one state border they take a look at it.

Brian: That's where SWIMA comes in as supposed to self report to the group. George then, and his team, take a look at it. Flags go up. They kind of do their own internal assessment. And he's a former New Jersey uh Gaming Enforcement regulator so he he is the guy who was getting New Jersey to the point until they were online and then it went then it transferred over to somebody else who was kind of the director. So he's all about regulation. He's law enforcement. That's kind of what his side is. So for him it's is this something that is is reputable or is this anomaly, right. Somebody somewhere just wanted to bet a lot and it didn't really have any an outcome or is this something that should be problematic. And then their goal is then to whoever they need to send it to on the flags that do become legit and then to work with that regulator and be that kind of facilitator across multiple jurisdictions. That's definitely really what they're looking for.

Brian: Sports Radar I posed that question to them at G2E last year, said. You know. It would seem I know you're you're looking at aggregate data. You're taking a look at match-fixing these sorts of things. Is that something a regulator uh can have real-time access to? And they said "Yes. That is something that if it is required we are used to making that information available."

Senator Conway: Okay. And Senator Conway did you have-

Conway: Uh. The only question I had is uh given this integrity issue, Oregon restricted the betting to professional sports. And I'm just curious how many states are looking at that limitation. Trying to protect uh you know because you're not then talking about young collegiates. You're looking at an older population here of of sports people. Rather than a younger generation. I'm just curious about whether other states are looking at that kind of restriction.

Tina: Well Nevada does not have that restriction. Um because Nevada has the other events that I mentoned. With eSports taking it a bit further. And you know I what I recall reading with Oregon- like Brian said we'er headed down there in just a few weeks- but Oregon has a past with collegiate sports and I think that is one reason they're not jumping right back into that. Uh that's why I believe they pulled out and stopped doing their sport wagering a number of years ago. Um its because they had some issues with collegiate sports snd wanting to have what is it the NCAA Playoffs down there? [crosstalk 02:31:38] And so that st- that prevented them from having the tournament. And so that's why they stopped with their sports wagering- what in 2001-ish. So that's why they brought that back. That's why their holding off. To make sure that they're not going to jeopardize something the state wants in the future.

Tina: I can't speak to other states. Nobody else mentioned it and -you know it sounds like it's a state-by-state. Each state is looking to see what works best for them.

Brian: I will say this. Uh as an avid college football follower and former player, you're not going to stop SSC people from betting. So what Mississippi, Tennessee,



those that they've said is their books are going to be primarily college football games. That's where they're going to make their money. So those states are choosing not to restrict it. States like New Jersey. Um, uh Nevada actually had a restriction and then they realized people are still betting on UNLV and Wolf Pack games so they decided to lift that restriction. After a few years, New Jersey decided it. Oregon lottery would like to offer it but they decided that they would take the safe route. They've also done something interesting. They're going to offer like Philipino baske- They're offering every that any professional sport that SP Tech wants to offer in their European portfolio. From Philipino basketball to second-tier South America like that's going to be a part of it too.

Brian: And really what you're worried about is what's the influence of uh bad actors on a game, or a league, or an outcome. And I think that's what all states are looking at. And their making a choice as to what they feel is most important but I if I had to guess Michigan, Ohio, most of the SCC country are going to allow for betting on college sports because that is that is the ma- biggest majority of people.

Comm'r Stearns: Yea they they want it. I mean sports betting, just like fantasy sports drives up fan engagement. You know TV everything moves to the conference level. The conferences want as many people watching their games as possible.

Brian: And they're already betting on it in the black market so you mind as well try to get it taxed into the regulated market. But it is a consideration and it its something that will come up, certainly here. And and you know outreach to local universities and colleges.

Tina: Okay. Uh Already spent some time on geolocation so um I will just jump to one thing that um is a question that regulators tend to ask more of is when do you want the geolotion entity to verify the location of the better. Do you want it to verify location upon log in? Do you want it to verify um throughout the whole time that they are on the website? Um or do you want it to just to you know do it periodically? So that is just something that um that regulators again consider during the course of the regulatory framework. Um and it it was very interesting to see the geolocation. Uh they did have a demonstration of geolocation software for New Jersey. Um you can actually tell what kind device they are um calling in on. Calling or logging in on. You can tell if it's an apple device. You can tell if it was um some sort of Android or um then if it was some sort of non-mobile device.

Tina: You could actually see where each person was and um and actually indicate it indicated those that were then authorized access and those that were denied access. And a lot of questions about VPN- just like you had asked so that was discussed quite a bit. Um sounds like for the most part on the terms of use of the operator site that one of the requirements is that if you're going to use the site then you cannot have other sorts of devi- applications or software open at the same time. So, if you're not able to place a wager its going to require you to to close those other apps out. So obviously, your question about VPN users and



those people who are trying to spoof, those were concerns that we talked about at in a great deal. Yes?

Conway: [inaudible 02:36:06] for legislators youth. How do you determine if your allowing wagering on mobile units how [inaudible 02:36:14] are the person placing the bet?

Tina: So um one one the things that is in the next slide. Um so I'm I'll get to that in just a second. Let me just finish up with this if you wouldn't mind Senator Conway. So a good deal of the data then is available through geolocation for regulators as well as operators. But um what they have found is through this geolocation information um a good chunk of the complaints have been able to resolved regarding fraud or identity theft because one of the things that they are able to do with geolocation and know your customer providers is to verify the age of those people making contact or logging into the system. As well as verifying the IP address, the location. And so people will say "Oh. That wager wasn't something I made. That \$10,000 losing wage or somebody stole my credit card." And what they're able to do is use this geolocation information to say "Mmm, no. That was your address. That was you know. This is where. This is your credit card." And so they are able to resolve a good chunk of the complaints regarding you know ID theft.

Tina: But it does give into many of the other vendors that um. So a number of the vendors that we have talked about today and that you've heard about through with sports wagering were familiar with their names and they already may be licensees but there are a number of different vendors as well as um activities that these vendors do that are um not familiar that we're not familiar with. Um Such as the integrity monitoring providers that we talked about. Geofencing providers. Um there know your customer providers. Um again they're focused on identifying who the player is. That is maki- who is logging into these websites. Making sure that the player is somebody who is of legal age to place the wager and making sure of the credit card that they're using belongs to that player. And the person really is who they say they are.

Tina: Another of the- another vendor or um class of companies that are part of sports wagering are marketing marketing affiliates. And so when you have um advertisers uh the sports-bidding platforms will advertise on other websites. And those websites have the opportunity to either collect a flat fee or a percentage of new wagers placed on those betting sites once they link from the original site in which they're advertising on.

Tina: And then payment providers. Um some jurisdictions like New Jersey are actually um doing some sort of um licensure um or registration with payment providers, as well. So all more to come at our September presentation regarding all of these different vendors and licensing.

Tina: Another common theme that we seem to here a lot about is be prepared for the complaints regarding sports betting. Um so um the regulators have set up again different mechanisms for handling complaints. Some regulators have developed tiered system where um certain complaints will go directly to the operator and other complaints will go directly to the regulator to deal with. While other states have just focused on giving those complaints a a opportunity for the operators to work directly with the complainant and then after so many days it will revert back to the regulator to take care of if its not resolved.

Tina: Then responsible gaming. Um of course many states have taken this into consideration as they move forward with sports betting. One of the benefits with the know your customer provider is that it does verify the players age and identity. And so that's of big concern. Something New Jersey has done is they do have a separate list for their mobile wagering layers so they are able to upload that self-exclusion list to daily. Upload that list daily to the sports betting operators.

Tina: They also have an icon that they have placed and require all the operators to put on the upper right side of their website. Um little RG and so when you click on that every time you know doesn't matter operator you operators website you go to. You're always going to get the same information for self- exclusion responsible gaming.

Tina: Um also with mobile gaming you are able to set wagering limits within your accounts as well. So there are some some tools that help with responsible gaming if you're with mobile wagering. And that is all unless you have any questions.

Senator Conway: Senator.

Conway: I have a question. You know it seems like uh when the conversation I heard on mobile mobile betting is that they require voter registration. [inaudible 02:42:05] everyone and anyone can get on these sites unless they're previously registered. And that seems like I was talking about age- that would get at the age issue here pretty quickly if you were required to be a registered in some way to vote. Or to actually place a bet. Is that something you've heard much about?

Brian: Yes um. You have to be a uh authenticated so Oregon actually- and were going to find out this little bit I think you can gamble at 18 but actually they're going to set it that you can't do it online unless you're twenty-one. So your going to have to put in for your information and have age verification. The way that it works for Nevada for um uh advanced deposit wagering is if some of the sites that they actually have you put your information in and they have a whole set of people once you put that information comes in, they verify it. If they have to call you, cause you got to give a good. They have to call you. They have to talk with you. You have to show them- you have to put I your drivers license information.

They verify those sorts of things. So while I don't think it is completely 100% because I'm sure people find ways getting around it.

Brian: Uh For the most part, somebody's real information is going into an account. Its been captured. Its been created. Its been verified. And until its verified they're unable to actually place wagers through. And that's part of it.

Brian: Um I think flipping it when talking with some of the Nevada folks about some illegal activity. Because the online accounts are almost like a fingerprint. They can follow you. That's why they're seeing people actually go to tellers. They'll go to tellers because you can do that more anonymously than you can actually bet online on some of these things. So its just a uniques sort of ecosystem that's a little bit different than what we see uh right now in current in gambling activities in the state but uh every and were going to continue to be able to learn more about it. But I mean ultimately at the po;icy level there are mechanisms to ensure verification of whoever is going to sign up. Both age and who they are.

Senator Conway: Mr. Sherns

Comm'r Stearns: [inaudible 02:44:17] that that there are occasional instances where operators do allow people you know- not on purpose but they they underaged people get through but the fines have been pretty heavy. You know in New Jersey there I mean lord. So I think that it's just something as our state moves forward. If we do go this route that you know the regulator have the has the ability to significantly fine operators when there are violations.

Brian: Right. New jersey has been very aggressive in that area. Uh they have oh they how they look at it is have a way in which they review. They look at things after the fact- either monthly or quarterly. And recently I think it was last month or the month before, yeah they identified 3, 4, or 5 regulators um or operators who both were either

PART 5 OF 6 ENDS [02:45:04]

Brian: Um, our operators who both (clears throat) were either allowing people underage, or allowing, somehow people were betting on activities that weren't authorized. And there were, for the lower wager amounts that I guess were being accepted, um, there was pretty significant fines that were on top of that as a deterrence, and I expect that we'll see that in Pennsylvania as their online is up and running, and, uh, and the other states as they kind of come on board.

Mr. Sizemore: Director Treehill.

Dir. Trujillo: Thank you, Mr. Terry, I just wanted to- to share with you that I don't know if you all noticed this subtle but significant shift in- in Tina's presentation, um, from the prior presentations in that prior presentations had been a kind of holistic

look at what's happening throughout all the country. Tina's presentations are a little bit s- uh, more focused in its regulatory operations and so we'll be looking for- to four to six states to that are similar to, in our opinion, similar to how Washington operates, and- and this was the first step towards beginning to really get focused in regulatory operations, uh, so that we can come forward with recommendations to you. Just wanted to ensure that that was captured, uh, because it, uh, I think it's, uh, it's an important shift.

Mr. Sizemore: I have one question, I guess. Um, Tina, were you able to- or did you ask, um, anyone, kind of, the time frame from when sports betting became authorized and how long it took them to...ramp up and create the regulatory framework that was necessary to launch?

Tina: Uh, I didn't ask that specific question. The, um...But I- I did get a feel that it was a while. Um, so, the big kind of joke, there was, you know, a lot of, a lot of joking around about Iowa. Because I don't remember the specific times, I'm sure Brian knows, but it was a- an extremely short window from the time the legislature passed, and they're actually going live very soon. I wanna say- say it was like six weeks? Six or eight weeks from the time legislation was passed until they have to have the rules and ready to go live. Because everyone always wants to go live right before football season,

Mr. Sizemore: Mm-hmm (affirmative)

Tina: So, um, I don't remember his, you know, the gentleman's name a- and position, but, like, how are you doing this? And so, um, they said that they had already done a good chunk of their work. They had already done the visits. And the common theme was for these- these states that had already gone forward and- and gone through this process is they visited other states, they visited- um, some of them visited the UK, went to operators, and the various vendor sites and had done all of their preparatory work, just waiting in adva- just waiting for should something happen.

Mr. Sizemore: Mm-hmm (affirmative).

Tina: They kind of knew what their framework would look like, so...they had already put their time in.

Mr. Sizemore: Okay, did- any, like, provisional licensing until...you know, they could get verified?

Comm'r Stearns: You know, there- a lot of, well, I mean, every state has, you know, Administrative Procedures Act, so the states that do wanna jump in quickly, they've all- when they've passed the laws, they have included provisions that allow for emergency regulations, like in what New Jersey did, or you know, really crammed together the rule-making period. So that- that is a decision that

the legislature would have to make. Otherwise, there are just laws that require so many days to pass before you can do stuff.

Brian: Right, said he passed it the year before. So, Mr. Chair, so at least- the nice two examples right now are Indiana and Iowa. Indiana and Iowa earlier this year, in like March or April, they both authorized it. Indian- Indiana and Iowa have both issued emergency rules and regulations related to sports betting for their licenses, at- I can't remember which one. One of them actually issued, um... basically temporary licenses for certain locations, and then with, I think, the idea that they would follow up and if there were any issues then those temporary licenses would get, you know, I guess, yanked, or-

Mr. Sizemore: Right.

Brian: Or something like that. Um, I- Pennsylvania took the long route. Mississippi had passed the law before passed, but even, so they were in a different place. New Jersey went really quickly, but they also had like five years of getting ready, George says. I was told by, you know, the governor, like five years ago, "When we win this lawsuit, you need to be ready to go live, like, immediately."

Mr. Sizemore: Right.

Brian: So, they're indifferent. So, I think, when you're looking at, kind of, what'd that look like, Pennsylvania took a lot longer, they have a much bigger population than Iowa, uh, and Indiana as well, when it really comes to- when you're thinking about Philadelphia and Pennsylvania, but there- there's some nice states there that we have a chance to take a look at, and how they ramped up.

Brian: But, I- I would expect, you know, Iowa said that they were ready, I think Indiana's been prepping for this since they did a- a economic impact study about a year ago? So, I think they've been kind of ramping up knowing that it was going to happen. They just didn't know some of the specifics, but they knew it was going to happen this last legislative session, so the Indian game- the Indiana Gaming Control Board, or Indiana Commission, had a chance to kind of prep for that. Same for Iowa. Now some of the other states, Illinois, they're already missing their timelines. Tennessee's just- just figuring out what they're going to do. Uh, and a bunch of the other states, depending on who's doing it, might take a little longer.

Mr. Sizemore: Okay, great. Senator Conway.

Senator Conway: I- I- In your experience in talk with the other regulators, how are they paying for the regulation?

Tina: Uh, many of them have, if not all, I think, have fees that, um, they charge taxes. As well as high license fees.

Brian: So, it- it's not apples and apples to necessarily Washington situation, but, um, there's a licensing fee. New Jersey had, actually, kind of two fees. They had a licensing fee that would be ongoing, and then they had a startup cost. So, if you're gonna pay a hundred thousand dollars annually for a fee, you also are gonna pay the first time you came into the state, an extra hundred thousand. That all went into- that essentially all went into a fund that then the New Jersey Gaming Enforcement Division could pull from, and getting things up and running, and any money that was left over in that fund then would be distributed equally to the members that put into that fund through some sort of credit, or something the licensing. But that's what New Jersey did. Other states, because, you know, Indiana's taxing it, Iowa's taxing it, I'm pretty sure there are general fund agencies that are getting appropriated through that. I think that's just getting kind of worked out through that appropriation cycle, but I don't know of a state...Tennessee I'll have to take a look at because they're just a little different. Well, other than the lottery states. So, just put the lottery states aside, where the lottery- the state's essentially the operator. If they're actually licensing someone, there's always a licensing fee.

Mr. Sizemore: I- I heard they debate about whether you- if you do a tax on the activity, do you tax the bet or do you tax the gain (laughs)?

Brian: I think the belief amongst most folks is you- the- the handle is the amount that's actually bet, but you're giving back 95 to 97 percent of that. And so the tax is always on the gross, um, those- the elite- other folks who have wanted a piece of it have proposed other things. I don't know if there's a state right now that, uh, taxes- I actually don't think there's a state that's taxing anything on the handle. It's always on gross. And it depends, Iowa's licensing fees are actually pretty low. And my- the- we haven't talked to them yet. I suspect it's because they're getting funded through the general fund and the taxes, so they're offsetting to that in some way. States that have higher fees, I'm guessing it's because they're expecting that those fees will take a larger burden of the regulatory cost, um, I think, just depends on just kind of what the state- and Iowa, I know, has some tribes, but they're mostly Penn National, and some of the big casino operators are all in Iowa.

Mr. Sizemore: Excellent. Okay. So, on Tina's presentation, any other questions, and then Brian, you're gonna talk a little bit about ICE, or...?

Brian: Okay, were you gonna...? Oh, okay. That's fine. Um, (clears throat). So, yeah, I'm happy to talk about- and I'll do it really quick. I had, kind of, intended to- I thought Chris was gonna talk a little bit about [inaudible 02:54:11]. I know, but, so, that's fine. So, I can wait till then. So, why don't I wait on ICE. There was one specific part that was really important to talk about. Um, or actually two. So I want to talk about the educational seminars. I'll wait, because I think it's probably best to combine those. But I did talk with some of the operators. So I talked with, so, Montana in Oregon, since they were gonna go live, I wanted to talk with their, uh, providers. Intralot, uh, is providing Montana.

Brian: Um, if you've been and if you're seen out lotter- er, our Washington lottery kiosk in Safeway or whatnot where there's a big screen, that's the kiosk that they had on display in Boston, and I asked them, "Is this what you plan on deploying in Montana?" And they said, "Yes." Now, whether the people on the floor really know what they're talking about, I don't know. So a lot of times we see kiosks as these kind of smaller, sort of substations. And that makes sense in a casino, or, kind of, a retailer, I think there it was the screen, allowed you to interact. Montana's also unique because somehow within a certain distance, you can have a mobile app. So you don't actually, with your- so, I don't know what that looks like. The same sort of geofencing principles, if you're within a certain area of that- of that dispensing machine, or that machine, then you'll be able to use your phone.

Brian: So I talked with the a little bit, was really interesting. Um, age verification, they'd have- you'd have to scan your ID at the machine, they capture that information. Learns all sorts of good things kind of about that. Intralot is a unique operator 'cause D.C.'s the only one that's really going with them right now, but that- that with, um, Oregon it's SBTech, which is a- a European operator. They've been around, they're in, I think, every major online state, including New Jersey, including Mississippi, er- including New Jersey, including Pennsylvania, and Nevada. Uh, they, uh, were very helpful in kind of showing what their menu looks like and they'll- they conform everything to whatever the Oregon lottery's going to want. So it's just kind of helpful to see what those products look like, uh, and talking with them.

Brian: But the- the big thing- the other reason why I went- it was a great conference and I look forward to talking about it next month. But also we have kind of talked about this, but you and LV has put together something called the US Sports Betting Forum. And it was an opportunity for people nationally, not just regulators, to come together, to kind of form a national group.

Brian: And, so, the first meeting was convened at ICE Boston- ICE North America Boston. Jennifer Roberts and Becky Harris were the two main people. Becky Harris kind of being honorary, sort of chaired the organization, just to have somebody to kick it off, if those name sound familiar, she's the former chair of the Nevada Game of Control Board. So, uh, very familiar former state senator, I think, as well, in Nevada. So, uh, she's now on staff in UNLV. So, really, who was there? I was there, on behalf of director Trujillo, 'cause he couldn't go. We had regulators from Mississippi, from Massachusetts, from Pennsylvania, from Michigan, from Ohio, from Louisiana, um, in Puerto Rico. Puerto Rico just authorized sports betting, too, recently. Uh, uh, George Rover from SWMA was there. So there was a long conversation with George and kind of how the interplay between SWMA and the- the US Sports Betting Forum. There were folks from manufacturing groups, so I think there was a side Games Rep there, there was a KNB rep, um, AGEM, the American Gambling Equipment Manufacturers, they were there. Um, there was some payment processors, there was some folks that were more stateside, there were some folks that



were more European, but it was really helpful to kind of come together and just have initial conversations.

Brian: And really what the goal is, or was identified, and UNLV's the one that's providing the staffing for this, and kind of the framework for it is- and I think there's something similar but European Union's a little bit different- but similar sort of idea, right? There's multiple European countries, all kind of dealing with these same things. This was to bring to bigger states. Because one of the criticisms that we hear at the federal level is, "Oh, there's gonna be this bifurcated approach, and some states will do it well, and some states will do it poorly. And there needs to be a federal framework." And the leagues like that because it's only one framework, and, this is really to kind of help push back against that a little bit. And so you know we're already sharing information, we're already organizing. This isn't something that there needs to be yet another layer, uh, at that level, was kind of the thoughts of what Ms. Harris was saying, but I found great value because I'm sitting at a table with the head of the Mississippi gaming part of it.

Brian: The, uh, Kevin, who's the sports game league part of Pennsylvania, and having those conversations- "How's it going? What are you seeing? What are you finding?" And this is just the very initial stages. And as things pop up, and that's what I had to ask George, is the goal. They find something, they send it to a regulator, say "Hey, we have found this suspicious activity." We do some more investigation that they are gonna be now a conduit and help us with that, gathering the information that they have, connecting us to an operator in a different state. And that was really what his goal was. Um, from SWMA, and that, really looking to establish a strong connection with this US Sports uniform, that it's open to all, and every time I talk with another regulator, whether it's tribal or otherwise, I let them know about it, that it's a good thing that kind of come on board, 'cause this can be a thing that we share.

Brian: So the next meeting for that is going to be at G2E, uh, in October, and, I think they're hoping to get, uh- 'cause it was East coast, so, hoping probably to get a little bit more of attendance and to really grow it, uh, and find people from around the country to kind of help staff some of the officers and form committees to work on integrity and in- information sharing, and really start setting up the beginning pathways for, um, you know, Washington and other states to really work together on creating a- a really robust, regulated, um, information- a regulator, uh, in industry information at work, that can work hand in hand with SWMA and other- of those organizations. So, um, you know, aside from going there for a two-day, great conference where there's lots of good information, there's also was that part, and wanted to make sure I reported back on that. It was something that we had indicated to you several months ago, that we said that we were willing to sign on to, and be a part of, and so the next, I set the next step, and I'll report after G2E [inaudible 03:00:24] and how that went as well.



Mr. Sizemore: Excellent. Any questions on any of that? Well, I think, um, it would be good to provide an opportunity for public comment on the sports betting topic. Um, so, is there anyone that would like to, uh, make any- yup. Come on up, sir. Nice to see you guys.

Jerry: Been a long day (laughs). I am Jerry Isle. And I am the chairman of the College Gaming Commission. I'm also on Tribal Council, and several other responsibilities. I wanna make a brief statement before I ask Paul to be more specific on his comments. Um, I retired as a Deputy Assistant Commissioner at Employment Security Department. Um, one of my many responsibilities was I managed the Rules Coordinator. So, I have a... an understanding, and a respect and recognition of the value of regulatory oversight. I know how important it is. Um, and I specifically, I value, and, uh, respect the regulatory oversight provided by the state. And by this commission. And, the College Gaming Commissions staff have more than 300 years of regulatory experience in the gaming industry. And so, um, during your deliberations on sports gambling and gaming in general, I ask that you respect and value that, um, experience and expertise that the College Tribe has, and also the other tribes in the gaming industry. Thank you.

Paul Dasaro: Good afternoon, my name is Paul Dasaro. I'm the Executive Director of the Cowlitz Tribal Gaming Commission. Uh, thank you for the opportunity to speak with you today on this issue. Um, we're not here to advocate for any particular type of legislation or policy. We just wanted to make comments on the- the regulatory aspect of it. Um, as you deliberate this issue and hear from regulators, uh, we just ask you to keep in mind the expertise of Indian gaming, um, you know, we have, as Jerry said, we have- in our agency, we have over 300 years of gaming experience, most of it in Washington State, although we do have some staff who have worked in other jurisdictions and have done regulatory work on sports betting in those jurisdictions. So, we do have a fair amount of, of capability there.

Paul Dasaro: I think we can all agree that this, as a new activity to Washington State, neither the State Gambling Commission, nor the tribes have a particularly huge experience to draw upon. Um, so it just- reminder that, you know, unlike the 1990's and the early 2000's when you had a lot of tribal gaming operations starting, um, where the tribes did not have a lot of in-house regulatory experience, that's not the case anymore. We do have a lot of experience, not just our- in our agency, but in most of the tribal gaming agencies throughout the state. Um, so we just ask you- ask you to keep that in mind. We do feel confident in our ability to, uh...to, uh...to develop and promulgate regulations in this area. Um, you know, I have- I personally have a lot of experience on the technology side, I have many staff who also have experience in that area, um, and were used to dealing with new technologies, new activities when they come in, and- and dealing with that.

Paul Dasaro: In addition, just some additional comments, um, we'd ask you, as you move forward, that any internal control criteria, technical standards, or other regulatory practices that affect the tribes, um, be developed with full participation, um, and consultation with the tribes. Um, we ask that the Gambling Commission avoid imposing overly restrictive regulations, unnecessary limitations on technology, uh, burdensome or excessively time-consuming approval and installation processes, um, or proprietary, that is, unique to Washington, technical and operating standards. We ask you to recognize that, uh, as- as Brian and Tina were just talking about, these are well-regulated, mature industries throughout the country. And they have been around for many decades and so we ask you not to, uh, look to reinvent the wheel as far as the regulatory piece is concerned. And also to be mindful of the fact that sports betting tends to be a fairly low-margin business for, uh, for operators and that overly-costly or time-consuming regulatory practices could severely hamper the development of the industry. And I'll answer any questions that you might have.

Dir. Trujillo: Any questions? Chris?

Comm'r Stearns: I know this is a hypothetical. Um, answer it how you feel like. But, um, hypothetically speaking, so the...there- there's one bill, HB 1975, that, you know, we- we- we, you know, au- authorized tribes to be the operators for, for, you know, ju- just to keep it short, tribesmen to be operators. So under that bill, it seems like, um, the- the rulemaking, the regulation, would actually occur through a compacting process. How do you see that working out? I mean, where we- so wouldn't really necessarily be that we're going to develop all these rules, actually, we'd be developed- I assume, in- in- in- tandem with tribes. But, how- how do you see the compacting process working out?

Paul Dasaro: I- I see it as ex- exactly as you describe it, Commissioner Sterns, that it would involve, uh, negotiations and discussions between the tribes, and the state to work that out. I think, our concern is to- to not get into necessarily a situation like we have with tribal lottery systems now where the state drives the process, um... and it's for an activity that doesn't exist outside of tribal, tribal areas. And so, if it- if that particular structure came to pass where it was primarily a tribal-only activity, um, you know, we would ask you to- to let us take the lead on that. Of course, we have to negotiate these compacts and we value your partnership in that process. But we don't think it's absolutely necessary that the State Gambling Commission be the main lead driver of that- of those regulatory processes. We believe that the tribes sh- should be allowed to do that.

Comm'r Stearns: Thank you.

Mr. Sizemore: [inaudible 03:07:11] All right. Thanks, gentlemen. Is there anyone else that would like to participate in public comment related to sports betting this month? All right, well, there will be further opportunities as we continue these conversations... Um, Brian, if you want to kind of wrap up this topic, we'll, uh...

start sending people home shortly...Well, they don't have to go home, they just can't stay here. (laughs).

Brian: Thank you, Mr. Chair. So, we can, for the record, Brian, Consulate and Legal Legislative Manager, uh, to wrap up, I think it's good to just quickly talk maybe what the next couple months look like. Uh, so, today was kind of a good report back of what we see, kind of conferences, kind of talking of more regulatory, we're coming down a little bit into the weeds as we've been learning more and more, uh...September, I think we're gonna look at what is- kind of, who is in this regulatory environment. It's a question that Mr. Chair had asked, uh, I think, last month, and I think we'll look to give a presentation about that in September.

Brian: Um, there's actually a very good example. Penn National just announced a bunch of partnerships with a whole bunch of different people and what that might look like, so it can be a more complicated, sort of, environment as to who's actually coming in and who's potentially could be licensed and regulated. And different states take different approaches, but they all take on- you know, I mean, there's a main approach that most of them are taking with a, you know, a few other- additional things that are on top of that. So we'll talk about that in September.

Brian: October, uh, I'm just gonna frame it under the big umbrella of integrity. So, um, you know, I know Major League Baseball, I've had some conversations, or emails, conversations with them. They may want to kind of come and give you a presentation, I don't know. But really looking in October talking about just integrity. It can be about sports integrity, it can be about gambling integrity. Um, Game of Commissions been around for 45 years, we've been dealing with illegal sports gambling for the entire 45 years. We have- our agents have been doing that for a very long time. Talk about the black market as best as we can, how we see it, the way that we see it kind of comes up, what that integrity kind of looks like, um, or lack thereof in the black market. Uh, and then also talk about it, as Commissioner Patterson was having con- er, questions about too, that, that sport integrity to- side. That athlete integrity side. And trying to provide some information just generally about that. Um, and kind of tie those two things together under the larger u- umbrella of integrity in the black market.

Brian: And then November, I kind of hold open to see where we are- where we are at. I don't know if they'll be more potential official legislation that comes, I don't know where we'll be at with that, if there's a topic, if there's something we need to drill down more on, if that's the time you want to be able to kind of think about making just general regulatory policy recommendations, we can do that November.

Brian: But ultimately, I see that as the next three month road map of...talk about kind of the regulatory environment, um, in September, the integrity piece in

October, and then we'll k- probably decide in October where, er, or in September if it's clear, where we wanna go in November.

Mr. Sizemore: Okay.

Brian: If that sounds good with all of you.

Mr. Sizemore: Work for everyone?

Speaker 9: Say that again [inaudible 03:10:34]

Mr. Sizemore: Does that work for everyone? Good road map?

Speaker 9: [inaudible 03:10:38]

Mr. Sizemore: Okay. We got work to do, still.

Speaker 9: Yes. [inaudible 03:10:43]

Mr. Sizemore: Okay.

Speaker 9: And you're laying out the timeline for [inaudible 03:10:46]?

Brian: Yeah, I, what I mentioned was just kind of what the to- general topics, so the chair at the last meeting-

Speaker 9: Yeah [inaudible 03:10:53].

Brian: Okay, sounds good.

Mr. Sizemore: Well, thank you.

Brian: You're very welcome.

Mr. Sizemore: And thank you, Tina. Um...excellent, so, um...tab nine on our agenda was, uh...a request to continue a petition that has now been-

Brian: Thank you, I almost forgot, because it happened so many hours ago. So this morning, I received...uh...um...really, a- a motion, or a- a notice from the Stars Group Incorporated on their petition that they are withdrawing it. So as of this morning they have officially withdrawn it, uh, it's not before you anymore. So we will not have it on the agenda for next month, it doesn't need to be continued, you don't need to do any action at this time. Um, I don't know if they'll do anything, or if they'll bring it back around, but right now, it's off our agenda, it's off from your consideration.

Mr. Sizemore: Let's not go work- go looking for more work.

Brian: Yup.

Mr. Sizemore: All right, so tab nine is taken care of, uh, which brings us to, um, our final public comment and/or Commissioner comment. Commissioners, have anything...burning desires to share...before we leave?

Comm'r Stearns: I have one. It's more of, uh, my- my running commentary. I- I- I'm just, uh, I- I- I- you know, when I watch TV at night, I- I see the advertisements for, um, Grand Theft Auto Diamond Casino & Resort. A- A- And it's- it's, uh, you know, it's a social casino, uh, you use in-casino points from Grand Theft Auto and you can- but you can gamble, it's in- it's a real casino and it's just one of those really annoying things that's happening where you're just, you know, getting blending or normalizing gambling for, um, kids. So, all right, that- that's my rant and spiel.

Mr. Sizemore: Okay. It's all right. Okay. Uh...so...Senator Conway, excuse me.

Senator Conway: I- I- I- I must express some concerns. I hope that, uh, as we move along on this raffle business that we, uh, truly, uh, figure out where we're going (laughs). Uh, you know, the proliferation now of people wanting to offer larger raffle prizes is probably not going to end, it's kind of, 'cause there's more or- organizations see this as a way of raising dollars for their nonprofit needs. I just hope that, uh, you give us some kind of...guidance on this. I mean, I see now, you know, the first discussion that we had with NRA is unlikely to create some legislative activity. Uh, we've now had, you know, other organizations wanting to take advantage of the, uh, of the opportunity to raise larger amounts of money through raffles, and it would be helpful if, you know, if the Gambling Commission would kind of look at what's going on here and figure out whether or not...wha- what we should be doing. I mean, I think it- it's- we've had bills before our legislature regarding raffles, as you know, we've talked about it, and I just hope- I know sports betting is a current issue here of course and all, but I don't- I hope we don't lose sight of that need to- to kind of s- figure out whether or not, what's going on here in the raffle, uh...in, with the, you know, with the important-

Senator Conway: More organizations are gonna come forward asking to offer larger prizes, it's just gonna happen. And so where are we going to be going with this. And, uh, whether you need some, some legislative authorization for, you know, maybe changing the lottery- raffle rules, or whatever.

Mr. Sizemore: Okay.

Senator Conway: If that's fair.

Mr. Sizemore: Okay. Um, so I will open the floor for- for, uh, public comment...if anybody would like to, uh...make public comment...All right, seeing no one approaching the microphone, our next meeting will be September 12th and 13th. Looks like

it's gonna be a two-day meeting, um, due to the volume of work that we have to do. Uh, it's anticipated to be 9:00 to 4:00 or so on the 12th and then at least a couple hours on Friday. Uh, so we don't have the agenda set, but, um...you can look, uh, for that to be coming out in the next...little bit, so...with that, I believe that our work for the day is done and we are adjourned.

PART 6 OF 6 ENDS [03:16:10]

BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of:

NATIONAL RIFLE ASSOCIATION  
FOUNDATION, INC.

Applicant.

ORDER CONTINUING  
APPLICATION TO EXCEED  
\$300,000 RAFFLE LIMIT

THIS MATTER came before the undersigned Commissioners of the Washington State Gambling Commission ("Commission") at the Commission's regularly scheduled meeting on August 8, 2019 in Olympia, Washington on the National Rifle Association Foundation Inc./State Fund Committee's (NRA Foundation's) application to exceed the \$300,000 raffle prize limit for its license year beginning October 2019. Mr. Bradley Kruger, Western Regional Field Director and Mr. Michael Herrera, Washington state field representative, represented the NRA Foundation. Washington State Gambling Commission's agency staff were represented by Special Agent in Charge Jim Nicks. Pursuant to its July 12, 2019 application letter, the NRA Foundation is a 501(c)(3) public charity, and asserts it "does not engage in political or lobbying activities". The Commission had before it the application materials, and heard from the NRA Foundation, Gambling Commission staff and others. During this comment period and Commission discussion, concerns were raised regarding current out-of-state investigations into whether the NRA Foundation's use of funds were not consistent with its 501(c)(3) designation. Concerns were also raised into whether the transfer of firearms obtained through the raffles were consistent with state law.

The Commission has the authority under WAC 230-11-067(3)(f) to request any information it believes necessary to make a determination. The Commission CONTINUES the

NRA Foundation request to exceed raffle prize limits by delaying considering the matter until the following additional information is obtained, reviewed by staff, and presented to the Commission:

- 1) Verification that the awarding of firearms in NRA Foundation raffles for at least the previous license year complies with all applicable state laws and regulations, including but not limited to WAC 230-06-025;
- 2) Verification that the funds raised from Washington State raffles are used solely by the NRA Foundation for purposes consistent with its 501(c)(3) nonprofit status and not for political purposes by the NRA's 501(c)(4) organization in accordance with RCW 9.46.0209, RCW 9.46.0277, WAC 230-07-010, WAC 230-07-130, and WAC 230-11-100; and
- 3) An accounting of all funds transferred to the national NRA Foundation from Washington state raffles in accordance with RCW 9.46.0209, RCW 9.46.0277, WAC 230-07-010, WAC 230-07-130, and WAC 230-11-100.

DATED this      day of August, 2019.



BUD SIZEMORE, CHAIR



CHRIS STEARNS, COMMISSIONER



ALICIA LEVY, COMMISSIONER



JULIA PATTERSON, VICE-CHAIR



ED TROYER, COMMISSIONER





STATE OF WASHINGTON

GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

Hampton Inn and Suites 4301 Martin Way E. Olympia, WA 98516

Thursday, August 8, 2019

*Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair.*

*Commissioners may take action on business items.*

**Administrative Procedures Act Proceedings are identified by an asterisk (\*)**

PUBLIC MEETING	
<b>9:00 AM</b>	<b>Call to Order</b> <i>Bud Sizemore, Chair</i> <b>Welcome and Introductions</b> <ul style="list-style-type: none"> <li>• <i>Moment of Silence</i></li> <li>• Staff Recognition – Mark Harris 25 years</li> </ul> <b>Consent Agenda</b> <b>(Action)</b> <ul style="list-style-type: none"> <li>• July 11, 2019 Commission Meeting Minutes</li> <li>• New Licenses and Class III Employees*</li> </ul> <b>Class III Employees/Snoqualmie &amp; Cowlitz Tribes*</b> <b>(Action)</b> <b>Director's Report</b> <i>David Trujillo, Director</i>
<b>Tab 1</b>	
<b>Tab 2</b>	<b>*Petition for Review Andrew Williams</b> <b>(Action)</b> <i>Kellen Wright, Assistant Attorney General</i>
<b>Tab 3</b>	<b>*National Rifle Association Foundation, Inc.</b> <b>(Action)</b> <ul style="list-style-type: none"> <li>• Request to exceed 300k limit in raffle prizes</li> </ul> <i>Jim Nicks, Special Agent in Charge, Regulatory Unit</i>
<b>Tab 4</b>	<b>*Perry Technical Foundation</b> <b>(Action)</b> <ul style="list-style-type: none"> <li>• Request to exceed 40k and 300k raffle prize</li> </ul> <i>Bill McGregor, Special Agent Supervisor, Regulatory Unit</i>
<b>Tab 5</b>	<b>RULES UP FOR DISCUSSION AND POSSIBLE FILING</b> <b>*Rocky Mountain Elk Foundation</b> <b>(Action)</b> <ul style="list-style-type: none"> <li>• Petition for rule change</li> </ul> <i>Ashlie Laydon, Rules Coordinator</i>
<b>Tab 6</b>	<b>*Default</b> <b>(Action)</b> <ul style="list-style-type: none"> <li>• Jocelyn Baker, CR2019-00571 Class III Employee certification</li> </ul> <i>Brian Considine, Legal and Legislative Manager</i>
	<b>Executive Session - Closed to the Public</b> <i>Bud Sizemore, Chair</i> Discuss Pending Criminal Investigations, Tribal Negotiations, and Litigation  Approximately 2 hours
<b>Tab 7</b>	<b>2020 Agency Request Legislation Discussion</b> <i>Brian Considine, Legal and Legislative Manager</i>
<b>Tab 8</b>	<b>Sports Betting Discussion and Presentations</b> <ul style="list-style-type: none"> <li>• ICE North America, National Council of Legislators from Gaming States and National Indian Gaming Association conference presentations.</li> </ul>

	<p><i>Commission Stearns, Brian Considine, Legal and Legislative Manager</i></p> <ul style="list-style-type: none"> <li>• North American Gaming Regulators Association presentation</li> </ul> <p><i>Tina Griffin, Assistant Director</i></p>
<b>Tab 9</b>	<p><b>*Stars Group, Inc. Petition for Declaratory Order</b> <b>(Action)</b></p> <p><i>Brian Considine, Legal and Legislative Manager</i></p>
	<b>Public Comment</b>

*Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-3637. Questions or comments pertaining to rule changes should be directed to the Ashlie Laydon, Rules Coordinator (360) 486-3473.*

*Please silence your cell phones for the public meeting*



STATE OF WASHINGTON

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**STATE OF WASHINGTON  
GAMBLING COMMISSION**

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

August 8, 2019

**TO: COMMISSIONERS:**  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**FROM:** Jim Nicks, Special Agent in Charge, Regulatory Unit

**SUBJECT: National Rifle Association Foundation, Inc. Request to Exceed \$300,000  
Limit in Raffle Prizes Paid during License Year October 1, 2019 to  
September 30, 2020**

**Background:**

Our rules require licensees to get your approval prior to offering a raffle prize that exceeds \$40,000 and/or offering raffle prizes that exceed \$300,000 in a license year, WAC 230-11-067.

To seek approval, the licensee must submit a raffle plan that includes:

- (a) The organization's goals for conducting raffles; and
- (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
- (c) Plans for selling raffle tickets; and
- (d) Brief overview of prizes awarded; and
- (e) Estimated gross gambling receipts, expenses, and net income for the raffles; and
- (f) Any other information that we request or any information the licensee wishes to submit.

**Request for Your Approval:**

National Rifle Association is seeking your approval to offer raffle prizes exceeding \$300,000 during their license year October 1, 2019 to September 30, 2020.

Staff recommends you approve National Rifle Association's request to exceed the annual raffle prize limit of \$300,000 for their license year October 1, 2019 to September 30, 2020.

Attachments

**NRA Foundation Inc./State Fund Committee (00-22598)**  
**Raffle plan to exceed \$300,000.00 prizes**  
**10/1/19 – 9/30/2020**

- **Goals for conducting raffle:**

Maximize funds raised through dinners, auctions and raffles in order to support the Foundation's charitable and educational mission.

- **Overview of Mission and Vision**

Funds raised by the NRA Foundation are used to make grants to support qualified groups and activities such as competitive shooting teams, youth firearm safety and educational programs, hunter education, range development and improvement, women's training seminars, law enforcement, Boy and Girl Scouts, 4-H and wildlife conservation efforts among others. A further breakdown of how 2018 funds were disbursed is attached.

- **Specific details of the Raffle**

Committees will sell raffle tickets face to face and at banquets pursuant to the Washington Gambling Commission's rules and regulations. The dates of drawing will be throughout the licensing year. Raffle tickets will sell between \$10-50 and will not exceed the state's threshold of \$100.00. Raffle prizes will include a wide variety of firearms as well as a variety of outdoor and other related merchandise. Prizes will be both donated and purchased merchandise. All merchandise and firearms are secured at all times pursuant to state and federal laws and all firearms will be transferred in full compliance of the law.

Raffles are overseen by the Gaming Manager and all raffle tickets have an equal opportunity to be drawn. At no time will a ticket purchaser draw the winning ticket.

Raffles are set up to be a successful fundraiser by taking into account prior year's raffle ticket sales and adjusting ticket cost and prizes offered based on this as well as the attendance at a dinner.

- **Estimated Numbers**

The NRA Foundation estimates gross gambling receipts for the 2019-2020 licensing year of \$1,000,000.00, estimated prizes of \$500,000.00 and estimated additional costs (printing, supplies) of \$13,500.00, for an estimated net of \$486,500.00. At this time, we do not have a minimum number of projected ticket sales or prizes available as we adjust the number of raffles conducted, price of tickets and prizes throughout the year, based on current sales and the number of donated prizes received.

- **Additional Information**

The NRA Foundation is a 501(c)(3) public charity and is apolitical. It does not engage in political or lobbying activities. Instead funds raised are used to make grants to support qualified groups and activities. Allowing the Foundation to increase the prize amounts will also increase grants to such qualified groups and activities in the state of Washington.



RECORDS

JUL 18 2019

WSSC

July 12, 2019

Washington State Gambling Commission  
4565 7<sup>th</sup> Avenue SE  
Lacey, WA 98503

**RE: NRA Foundation Inc/State Fund Committee (00-22598) request for additional prizes for license year 10/1/2019 – 9/30/2020**

Dear Sir/Madam:

Please accept this letter as The NRA Foundation's request to exceed the \$300,000.00 prize limits pursuant to WAC 230-11-067(3) for the license year October 1, 2019 through September 30, 2020. Each year the NRA Foundation's goal is to maximize funds raised through dinners, auctions, and raffles in order to continue to support the Foundation's charitable and educational mission. The Foundation is a 501(c)(3) public charity and is apolitical. It does not engage in political or lobbying activities. Instead, funds raised by the Foundation are used to make grants to support qualified groups and activities such as competitive shooting teams, youth firearm safety and educational programs, hunter education, range development and improvement, women's training seminars, law enforcement, Boy and Girl Scouts, 4-H, and wildlife conservation efforts among many others.

Committees will continue to sell raffle tickets face to face and at banquets pursuant to the Washington Gambling Commission's rules and regulations. Raffle prizes will include a wide variety of firearms as well as a variety of outdoor and other related merchandise. Prizes will include both donated and purchased merchandise. The Foundation expects estimated gross gambling receipts for the 2019-2020 licensing year of \$1,000,000.00, estimated prizes of \$500,000.00, and an estimated net of \$500,000.00.

Thank you very much for your consideration in approving this requested increase. Allowing the Foundation to increase the prize amounts will also increase grants to qualified groups and activities in the State of Washington.

Should you need anything additional or have any questions, please do not hesitate to contact me at (703) 267-1349 or by email [kbratsch@nrahq.org](mailto:kbratsch@nrahq.org).

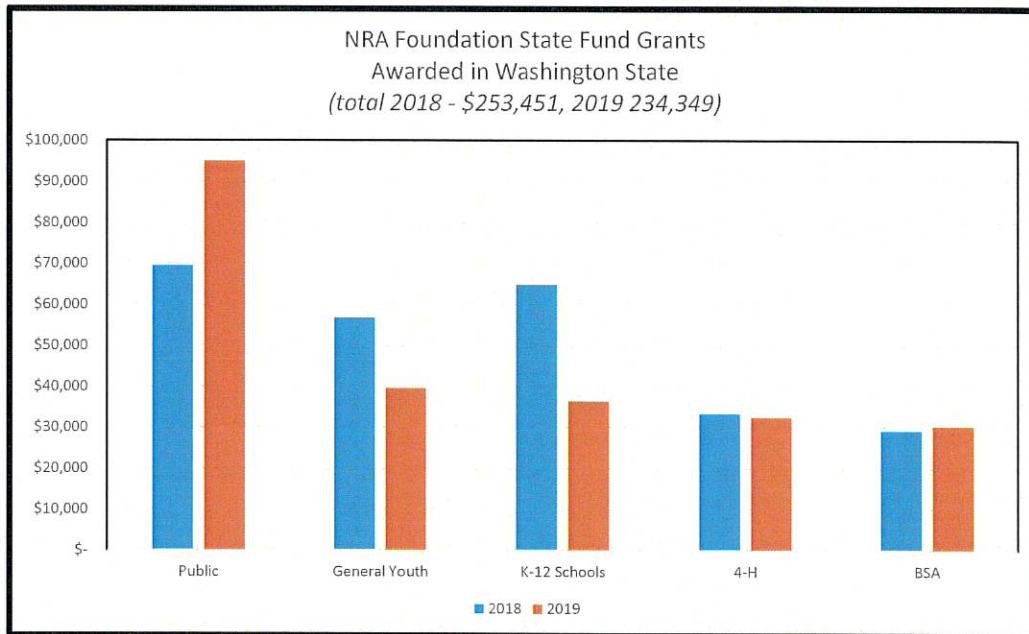
Sincerely,



Kimber Bratsch  
Compliance Manager



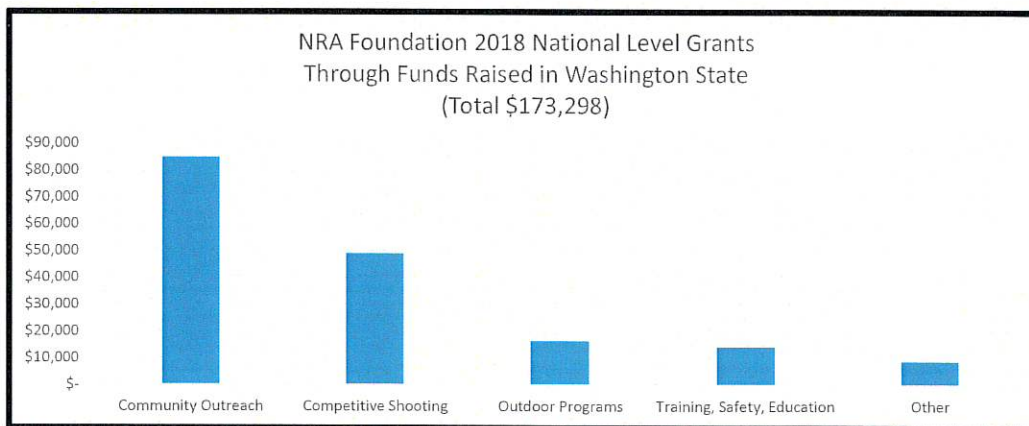
The NRA Foundation has awarded over \$4.25 million in grants directly to local Washington State area programs since inception in 1990, through its State Fund Grant program. Funds raised at events held in Washington State also provide funding for national level grants. The charts below provide grant details for the two most recent years. (Notes: 2019 State Fund is YTD 6/30; the distribution of national level grants is completed at year-end and is not yet available for 2019.)



**Public** - includes a broad spectrum of programs that promote firearms safety and education with access to the public at large

**General Youth** - includes programs that promote firearms safety and education designed specifically for youth, including Young Marines, marksmanship teams, FFA, YHEC and others

**K-12 Schools** - includes JROTC, scholastic clays and other team programs held through K-12 public and private school systems, teaching safety, responsibility and discipline



**Community Outreach** - includes Eddie Eagle GunSafe® program, Refuse to be a Victim®, National Firearms Museum, Second Amendment education and preservation, media outreach programs, law enforcement awards and scholarships

**Competitive Shooting** - includes tactical police competitions, disabled shooting tournaments, collegiate competitions and other competitive shooting programs

**Outdoor Programs** - includes a broad spectrum of outdoor programs that promote firearms safety and education with access to the public at large

**Training, Safety, Education** - includes law enforcement and general training programs

WSGC

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RECORDS